LOUISIANA LEGISLATIVE FISCAL OFFICE

HB1 ENGROSSED 2012 RS

Enhancements

Reductions

Means of Finance (MOF) Swaps

Budget Issues

Gordon Monk, Legislative Fiscal Officer

Evan Brasseaux, LFO Staff Director

May10, 2012

STATE OF LOUISIANA
LEGISLATIVE FISCAL OFFICE
BATON ROUGE

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To: The Honorable Charles E. "Chuck" Kleckley, Speaker of the House of Representatives
Honorable Members of the House of Representatives

From: H. Gordon Monk, Legislative Fiscal Officer
Evan Brasseaux, LFO Staff Director

Date: May 10, 2012

Subject: HB 1 Engrossed

As you review HB 1 Engrossed, the Legislative Fiscal Office has prepared a booklet listing major programmatic enhancements, reductions, and means of finance swaps that attempt to compare funding in the current version of the bill with budgeted amounts from the current fiscal year (as of 12/1/2011). Also included is a listing of significant budgetary issues. In addition, we have provided you with summary information detailing state budget information including Means of Finance by Department.

Please contact us if you have questions or need additional information.

Attachments

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2011	Current Year EOB 12/1/2011 FY 2012	Next Year HB 1 Engrossed FY 2013	2013 - 2012 Dollar Change	Percent Change
GRAND TOTAL - Statewide Budget					
STATE GENERAL FUND (Direct):	**$7,585,083,993**	**$8,277,928,055**	**$8,320,560,789**	**$42,632,734**	**0.5%**
STATE GENERAL FUND BY:					
Interagency Transfers	**3,307,313,743**	**3,203,557,622**	**3,155,349,888**	**-48,207,734**	**-1.5%**
Fees & Self-gen Revenues	**2,820,239,717**	**3,441,287,136**	**3,475,868,069**	**34,580,933**	**1.0%**
Statutory Dedications	**4,072,340,868**	**4,044,751,720**	**3,752,995,965**	**-291,755,755**	**-7.2%**
Interim Emergency Board	**1,897,824**	**511,853**	**0**	**-511,853**	**-100.0%**
FEDERAL FUNDS	**10,918,294,287**	**11,174,954,485**	**11,270,279,390**	**95,324,905**	**0.9%**
	$28,705,170,432	**$30,142,990,871**	**$29,975,054,101**	**-$167,936,770**	**-0.6%**
T.O.	**82,247**	**72,686**	**66,073**	**-6,613**	**-9.1%**
STATE FUNDS (excludes Federal):	**$17,786,876,145**	**$18,968,036,386**	**$18,704,774,711**	**-$263,261,675**	**-1.4%**
General Appropriation Bill					
STATE GENERAL FUND (Direct):	$6,994,097,346	$7,657,062,447	$7,692,781,627	$35,719,180	0.5%
STATE GENERAL FUND BY:					
Interagency Transfers	2,978,473,825	2,878,818,877	2,829,136,232	(49,682,645)	(1.7%)
Fees & Self-gen Revenues	1,520,734,505	2,022,856,355	2,070,900,695	48,044,340	2.4%
Statutory Dedications	3,023,356,721	2,857,484,336	2,550,178,694	(307,305,642)	(10.8%)
Interim Emergency Board	557,824	511,853	0	(511,853)	(100.0%)
FEDERAL FUNDS	10,873,837,058	11,127,192,362	11,224,517,267	97,324,905	0.9%
	$25,391,057,279	$26,543,926,230	$26,367,514,515	($176,411,715)	(0.7%)
T.O.	81,432	71,965	65,557	(6,408)	(8.9%)
00 Preamble					
STATE GENERAL FUND (Direct):	$0	$0	($53,200,000)	-$53,200,000	
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	0	0	0	0	
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$0	$0	($53,200,000)	-$53,200,000	
T.O.	0	0	0	0	
01 Executive					
STATE GENERAL FUND (Direct):	$136,269,176	$153,996,032	$142,510,366	-$11,485,666	(7.5%)
STATE GENERAL FUND BY:					
Interagency Transfers	380,245,786	462,268,369	566,680,606	104,412,237	22.6%
Fees & Self-gen Revenues	88,017,285	121,225,961	120,602,532	-623,429	(0.5%)
Statutory Dedications	406,396,722	266,857,377	250,493,239	-16,364,138	(6.1%)
Interim Emergency Board	287,615	511,853	0	-511,853	(100.0%)
FEDERAL FUNDS	2,712,623,189	2,888,071,834	2,905,830,598	17,758,764	0.6%
	$3,723,839,773	$3,892,931,426	$3,986,117,341	$93,185,915	2.4%
T.O.	2,311	2,261	2,169	-92	(4.1%)
03 Veterans' Affairs					
STATE GENERAL FUND (Direct):	$6,870,788	$5,509,517	$5,056,272	-$453,245	(8.2%)
STATE GENERAL FUND BY:					
Interagency Transfers	726,431	1,005,295	1,468,777	463,482	46.1%
Fees & Self-gen Revenues	13,910,999	15,215,764	15,384,291	168,527	1.1%
Statutory Dedications	231,062	398,823	300,000	-98,823	(24.8%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	27,671,488	32,459,091	34,195,469	1,736,378	5.3%
	$49,410,768	$54,588,490	$56,404,809	$1,816,319	3.3%
T.O.	825	830	835	5	0.6%

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2011	Current Year EOB 12/1/2011 FY 2012	Next Year HB 1 Engrossed FY 2013	2013 - 2012 Dollar Change	Percent Change
04a State					
STATE GENERAL FUND (Direct):	$28,637,905	$49,697,278	$44,575,085	-$5,122,193	(10.3%)
STATE GENERAL FUND BY:					
Interagency Transfers	22,130,095	658,336	384,870	-273,466	(41.5%)
Fees & Self-gen Revenues	18,629,386	19,396,769	19,601,209	204,440	1.1%
Statutory Dedications	2,644,577	11,804,587	7,038,078	-4,766,509	(40.4%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$72,041,963	$81,556,970	$71,599,242	-$9,957,728	(12.2%)
T.O.	335	317	317	0	0.0%
04b Justice					
STATE GENERAL FUND (Direct):	$7,441,028	$12,269,707	$11,782,064	-$487,643	(4.0%)
STATE GENERAL FUND BY:					
Interagency Transfers	32,281,453	38,910,702	34,567,425	-4,343,277	(11.2%)
Fees & Self-gen Revenues	1,895,526	3,622,373	7,149,758	3,527,385	97.4%
Statutory Dedications	9,918,649	13,286,669	11,910,137	-1,376,532	(10.4%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	4,752,210	5,875,954	6,083,319	207,365	3.5%
	$56,288,866	$73,965,405	$71,492,703	-$2,472,702	(3.3%)
T.O.	503	480	475	-5	(1.0%)
04c Lieutenant Governor					
STATE GENERAL FUND (Direct):	$319,748	$1,545,715	$1,449,890	-$95,825	(6.2%)
STATE GENERAL FUND BY:					
Interagency Transfers	1,025,179	465,356	465,356	0	0.0%
Fees & Self-gen Revenues	4,000	150,000	25,000	-125,000	(83.3%)
Statutory Dedications	0	16,097	0	-16,097	(100.0%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	5,515,543	6,626,002	5,497,751	-1,128,251	(17.0%)
	$6,864,470	$8,803,170	$7,437,997	-$1,365,173	(15.5%)
T.O.	11	8	8	0	0.0%
04d Treasury					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	1,952,235	1,438,854	1,628,452	189,598	13.2%
Fees & Self-gen Revenues	7,383,132	9,008,001	8,799,627	-208,374	(2.3%)
Statutory Dedications	420,094	2,271,417	2,271,417	0	0.0%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$9,755,461	$12,718,272	$12,699,496	-$18,776	(0.1%)
T.O.	61	59	58	-1	(1.7%)
04e Public Service Commission					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	8,900,939	9,724,407	9,220,586	-503,821	(5.2%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	141,694	716,837	0	-716,837	(100.0%)
	$9,042,633	$10,441,244	$9,220,586	-$1,220,658	(11.7%)
T.O.	97	97	97	0	0.0%

Statewide Budget
Department Budget Summary

		Previous Year Actual FY 2011	Current Year EOB 12/1/2011 FY 2012	Next Year HB 1 Engrossed FY 2013	2013 - 2012 Dollar Change	Percent Change
04f	**Agriculture & Forestry**					
	STATE GENERAL FUND (Direct):	$15,061,332	$27,649,022	$26,447,954	-$1,201,068	(4.3%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	13,838,681	1,194,136	1,200,445	6,309	0.5%
	Fees & Self-gen Revenues	6,553,680	6,793,752	6,762,432	-31,320	(0.5%)
	Statutory Dedications	29,260,348	33,257,621	32,110,004	-1,147,617	(3.5%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	6,446,720	9,154,921	7,756,659	-1,398,262	(15.3%)
		$71,160,761	$78,049,452	$74,277,494	-$3,771,958	(4.8%)
	T.O.	685	644	625	-19	(3.0%)
04g	**Insurance**					
	STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
	STATE GENERAL FUND BY:					
	Interagency Transfers	0	435,681	0	-435,681	(100.0%)
	Fees & Self-gen Revenues	26,525,106	29,669,563	28,705,468	-964,095	(3.2%)
	Statutory Dedications	1,286,854	1,345,748	1,325,000	-20,748	(1.5%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	1,193,012	2,221,509	879,812	-1,341,697	(60.4%)
		$29,004,972	$33,672,501	$30,910,280	-$2,762,221	(8.2%)
	T.O.	267	265	263	-2	(0.8%)
05	**Economic Development**					
	STATE GENERAL FUND (Direct):	$19,998,776	$11,287,472	$13,336,310	$2,048,838	18.2%
	STATE GENERAL FUND BY:					
	Interagency Transfers	1,638,662	2,078,549	398,231	-1,680,318	(80.8%)
	Fees & Self-gen Revenues	2,014,516	3,190,689	3,063,650	-127,039	(4.0%)
	Statutory Dedications	40,519,158	66,771,062	23,349,404	-43,421,658	(65.0%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	277,314	7,184,291	4,389,450	-2,794,841	(38.9%)
		$64,448,426	$90,512,063	$44,537,045	-$45,975,018	(50.8%)
	T.O.	128	124	122	-2	(1.6%)
06	**Culture, Recreation & Tourism**					
	STATE GENERAL FUND (Direct):	$24,812,868	$38,482,442	$43,540,719	$5,058,277	13.1%
	STATE GENERAL FUND BY:					
	Interagency Transfers	23,055,444	4,056,246	4,065,477	9,231	0.2%
	Fees & Self-gen Revenues	32,894,559	27,170,272	31,629,747	4,459,475	16.4%
	Statutory Dedications	3,665,206	9,700,330	9,399,774	-300,556	(3.1%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	8,862,442	9,504,511	7,945,292	-1,559,219	(16.4%)
		$93,290,519	$88,913,801	$96,581,009	$7,667,208	8.6%
	T.O.	694	630	633	3	0.5%
07	**Transportation & Development**					
	STATE GENERAL FUND (Direct):	$0	$138,660	$0	-$138,660	(100.0%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	3,047,312	7,552,968	9,871,386	2,318,418	30.7%
	Fees & Self-gen Revenues	40,172,023	44,828,253	41,060,120	-3,768,133	(8.4%)
	Statutory Dedications	460,250,978	489,581,130	470,514,982	-19,066,148	(3.9%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	17,408,883	24,691,110	26,761,411	2,070,301	8.4%
		$520,879,196	$566,792,121	$548,207,899	-$18,584,222	(3.3%)
	T.O.	4,524	4,494	4,322	-172	(3.8%)

Statewide Budget
Department Budget Summary

		Previous Year Actual FY 2011	Current Year EOB 12/1/2011 FY 2012	Next Year HB 1 Engrossed FY 2013	2013 - 2012 Dollar Change	Percent Change
08	**Corrections**					
	STATE GENERAL FUND (Direct):	$449,603,758	$439,254,046	$426,434,964	-$12,819,082	(2.9%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	9,200,715	7,858,607	4,781,898	-3,076,709	(39.2%)
	Fees & Self-gen Revenues	33,856,462	39,860,282	37,416,295	-2,443,987	(6.1%)
	Statutory Dedications	54,000	10,385,979	54,000	-10,331,979	(99.5%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	1,059,540	1,480,697	1,480,697	0	0.0%
		$493,774,475	$498,839,611	$470,167,854	-$28,671,757	(5.7%)
	T.O.	5,761	5,284	4,701	-583	(11.0%)
08	**Public Safety**					
	STATE GENERAL FUND (Direct):	$14,137,757	$2,351,002	$300,000	-$2,051,002	(87.2%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	33,969,062	45,917,659	44,646,466	-1,271,193	(2.8%)
	Fees & Self-gen Revenues	133,164,005	144,933,879	141,540,154	-3,393,725	(2.3%)
	Statutory Dedications	184,807,139	201,394,297	160,495,598	-40,898,699	(20.3%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	27,070,111	40,976,247	36,654,257	-4,321,990	(10.5%)
		$393,148,074	$435,573,084	$383,636,475	-$51,936,609	(11.9%)
	T.O.	2,862	2,675	2,662	-13	(0.5%)
08	**Youth Services**					
	STATE GENERAL FUND (Direct):	$119,147,524	$115,724,976	$101,208,771	-$14,516,205	(12.5%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	13,600,635	22,070,644	18,833,660	-3,236,984	(14.7%)
	Fees & Self-gen Revenues	1,816,388	2,185,507	959,528	-1,225,979	(56.1%)
	Statutory Dedications	375,000	2,367,953	272,000	-2,095,953	(88.5%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	789,488	891,796	891,796	0	0.0%
		$135,729,035	$143,240,876	$122,165,755	-$21,075,121	(14.7%)
	T.O.	1,111	1,056	1,026	-30	(2.8%)
09	**Health & Hospitals**					
	STATE GENERAL FUND (Direct):	$1,077,423,620	$1,725,174,414	$1,906,605,181	$181,430,767	10.5%
	STATE GENERAL FUND BY:					
	Interagency Transfers	444,419,274	504,551,710	466,971,969	-37,579,741	(7.4%)
	Fees & Self-gen Revenues	103,207,543	182,232,951	181,158,971	-1,073,980	(0.6%)
	Statutory Dedications	971,514,811	656,413,452	510,349,850	-146,063,602	(22.3%)
	Interim Emergency Board	233,750	0	0	0	
	FEDERAL FUNDS	5,660,779,334	5,209,446,114	5,769,439,845	559,993,731	10.7%
		$8,257,578,332	$8,277,818,641	$8,834,525,816	$556,707,175	6.7%
	T.O.	9,247	8,458	6,679	-1,779	(21.0%)
10	**Children & Family Services**					
	STATE GENERAL FUND (Direct):	$166,949,322	$157,567,579	$159,416,360	$1,848,781	1.2%
	STATE GENERAL FUND BY:					
	Interagency Transfers	5,590,949	2,679,332	5,150,189	2,470,857	92.2%
	Fees & Self-gen Revenues	16,140,753	16,945,798	16,945,798	0	0.0%
	Statutory Dedications	1,546,110	6,980,343	2,123,398	-4,856,945	(69.6%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	616,673,967	765,225,571	616,898,582	-148,326,989	(19.4%)
		$806,901,101	$949,398,623	$800,534,327	-$148,864,296	(15.7%)
	T.O.	4,389	4,082	3,960	-122	(3.0%)

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2011	Current Year EOB 12/1/2011 FY 2012	Next Year HB 1 Engrossed FY 2013	2013 - 2012 Dollar Change	Percent Change
11 Natural Resources					
STATE GENERAL FUND (Direct):	$0	$4,991,326	$5,337,876	$346,550	6.9%
STATE GENERAL FUND BY:					
Interagency Transfers	16,193,234	14,800,814	17,523,377	2,722,563	18.4%
Fees & Self-gen Revenues	69,610	345,875	345,875	0	0.0%
Statutory Dedications	32,434,869	33,740,182	30,460,639	-3,279,543	(9.7%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	43,657,862	149,182,010	119,018,851	-30,163,159	(20.2%)
	$92,355,575	$203,060,207	$172,686,618	-$30,373,589	(15.0%)
T.O.	380	380	367	-13	(3.4%)
12 Revenue					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	357,089	361,899	347,300	-14,599	(4.0%)
Fees & Self-gen Revenues	84,732,515	95,356,197	93,022,725	-2,333,472	(2.4%)
Statutory Dedications	618,319	728,000	705,041	-22,959	(3.2%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	360,000	977,007	883,007	-94,000	(9.6%)
	$86,067,923	$97,423,103	$94,958,073	-$2,465,030	(2.5%)
T.O.	820	802	792	-10	(1.2%)
13 Environmental Quality					
STATE GENERAL FUND (Direct):	$0	$250,000	$250,000	$0	0.0%
STATE GENERAL FUND BY:					
Interagency Transfers	4,162,919	1,073,300	1,073,300	0	0.0%
Fees & Self-gen Revenues	642,512	494,543	105,000	-389,543	(78.8%)
Statutory Dedications	93,369,783	106,811,362	99,176,834	-7,634,528	(7.1%)
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	18,990,642	25,269,665	22,789,400	-2,480,265	(9.8%)
	$117,165,856	$133,898,870	$123,394,534	-$10,504,336	(7.8%)
T.O.	847	805	762	-43	(5.3%)
14 Workforce Commission					
STATE GENERAL FUND (Direct):	$8,283,722	$8,239,768	$8,239,768	$0	0.0%
STATE GENERAL FUND BY:					
Interagency Transfers	7,999,372	4,830,990	2,592,047	-2,238,943	(46.3%)
Fees & Self-gen Revenues	0	69,202	669,202	600,000	867.0%
Statutory Dedications	88,981,649	98,052,802	100,168,786	2,115,984	2.2%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	180,430,540	172,019,687	167,530,762	-4,488,925	(2.6%)
	$285,695,283	$283,212,449	$279,200,565	-$4,011,884	(1.4%)
T.O.	1,219	1,191	1,155	-36	(3.0%)
16 Wildlife & Fisheries					
STATE GENERAL FUND (Direct):	$0	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	18,695,415	6,852,718	8,486,221	1,633,503	23.8%
Fees & Self-gen Revenues	3,731,430	16,636,219	16,499,148	-137,071	(0.8%)
Statutory Dedications	73,958,673	98,250,554	100,026,193	1,775,639	1.8%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	37,273,184	88,794,474	66,161,519	-22,632,955	(25.5%)
	$133,658,702	$210,533,965	$191,173,081	-$19,360,884	(9.2%)
T.O.	775	775	777	2	0.3%

Statewide Budget
Department Budget Summary

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17	**Civil Service**					
	STATE GENERAL FUND (Direct):	$3,859,692	$4,758,362	$4,651,806	-$106,556	(2.2%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	13,996,866	17,823,657	17,810,043	-13,614	(0.1%)
	Fees & Self-gen Revenues	686,307	754,936	757,245	2,309	0.3%
	Statutory Dedications	1,691,309	2,026,563	1,903,121	-123,442	(6.1%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$20,234,174	$25,363,518	$25,122,215	-$241,303	(1.0%)
	T.O.	212	212	213	1	0.5%
19	**Higher Education**					
	STATE GENERAL FUND (Direct):	$1,145,193,817	$1,059,582,399	$988,591,143	-$70,991,256	(6.7%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	730,473,608	434,180,190	412,475,998	-21,704,192	(5.0%)
	Fees & Self-gen Revenues	801,002,423	1,132,223,157	1,155,295,163	23,072,006	2.0%
	Statutory Dedications	140,559,000	231,976,831	186,016,415	-45,960,416	(19.8%)
	Interim Emergency Board	10,000	0	0	0	
	FEDERAL FUNDS	146,439,932	159,283,006	152,935,890	-6,347,116	(4.0%)
		$2,963,678,780	$3,017,245,583	$2,895,314,609	-$121,930,974	(4.0%)
	T.O.	34,697	27,703	24,866	-2,837	(10.2%)
19	**Special Schools & Comm.**					
	STATE GENERAL FUND (Direct):	$42,415,088	$43,165,725	$38,815,265	-$4,350,460	(10.1%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	22,765,966	23,861,221	25,975,945	2,114,724	8.9%
	Fees & Self-gen Revenues	1,466,507	2,550,155	2,575,155	25,000	1.0%
	Statutory Dedications	31,932,595	23,757,617	25,465,392	1,707,775	7.2%
	Interim Emergency Board	26,459	0	0	0	
	FEDERAL FUNDS	57,816	105,086	105,086	0	0.0%
		$98,664,431	$93,439,804	$92,936,843	-$502,961	(0.5%)
	T.O.	774	750	748	-2	(0.3%)
19	**Elem. & Secondary Educ.**					
	STATE GENERAL FUND (Direct):	$3,160,006,805	$3,264,231,046	$3,288,806,897	$24,575,851	0.8%
	STATE GENERAL FUND BY:					
	Interagency Transfers	475,021,690	624,791,747	562,945,809	-61,845,938	(9.9%)
	Fees & Self-gen Revenues	6,327,453	37,520,092	35,447,754	-2,072,338	(5.5%)
	Statutory Dedications	273,019,250	278,989,512	278,336,583	-652,929	(0.2%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	1,273,696,935	1,443,606,070	1,178,261,366	-265,344,704	(18.4%)
		$5,188,072,133	$5,649,138,467	$5,343,798,409	-$305,340,058	(5.4%)
	T.O.	682	654	596	-58	(8.9%)
19E	**LSU Health Care Services Division**					
	STATE GENERAL FUND (Direct):	$72,220,020	$64,296,464	$29,261,831	-$35,034,633	(54.5%)
	STATE GENERAL FUND BY:					
	Interagency Transfers	654,541,841	595,045,883	574,169,936	-20,875,947	(3.5%)
	Fees & Self-gen Revenues	92,324,742	65,788,131	98,682,558	32,894,427	50.0%
	Statutory Dedications	300,000	0	35,000,000	35,000,000	
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	78,082,167	79,447,612	87,945,188	8,497,576	10.7%
		$897,468,770	$804,578,090	$825,059,513	$20,481,423	2.5%
	T.O.	7,215	6,929	6,329	-600	(8.7%)

Statewide Budget
Department Budget Summary

		Previous Year Actual FY 2011	Current Year EOB 12/1/2011 FY 2012	Next Year HB 1 Engrossed FY 2013	2013 - 2012 Dollar Change	Percent Change
20	**Other Requirements**					
	STATE GENERAL FUND (Direct):	$495,444,600	$466,899,495	$499,363,105	$32,463,610	7.0%
	STATE GENERAL FUND BY:					
	Interagency Transfers	47,543,912	52,054,014	44,621,049	-7,432,965	(14.3%)
	Fees & Self-gen Revenues	3,565,643	4,688,034	6,696,290	2,008,256	42.8%
	Statutory Dedications	164,699,627	200,593,621	201,692,223	1,098,602	0.5%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	3,583,045	3,981,260	4,181,260	200,000	5.0%
		$714,836,827	$728,216,424	$756,553,927	$28,337,503	3.9%
	T.O.	0	0	0	0	
	Other Appropriation Bills					
	STATE GENERAL FUND (Direct):	$202,730,465	$206,239,977	$206,239,977	$0	0.0%
	STATE GENERAL FUND BY:					
	Interagency Transfers	328,839,918	324,738,745	326,213,656	1,474,911	0.5%
	Fees & Self-gen Revenues	1,299,505,212	1,418,430,781	1,404,967,374	(13,463,407)	(0.9%)
	Statutory Dedications	958,312,848	1,083,867,384	1,094,617,271	10,749,887	1.0%
	Interim Emergency Board	1,340,000	0	0	0	
	FEDERAL FUNDS	44,457,229	47,762,123	45,762,123	(2,000,000)	(4.2%)
		$2,835,185,672	$3,081,039,010	$3,077,800,401	($3,238,609)	(0.1%)
	T.O.	815	721	516	(205)	(28.4%)
21	**Ancillary**					
	STATE GENERAL FUND (Direct):	$906,788	$0	$0	$0	
	STATE GENERAL FUND BY:					
	Interagency Transfers	274,617,463	292,957,150	294,665,561	1,708,411	0.6%
	Fees & Self-gen Revenues	1,245,648,992	1,292,554,865	1,281,091,458	-11,463,407	(0.9%)
	Statutory Dedications	111,605,508	88,000,000	81,000,000	-7,000,000	(8.0%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	9,275,878	31,500,000	31,500,000	0	0.0%
		$1,642,054,629	$1,705,012,015	$1,688,257,019	-$16,754,996	(1.0%)
	T.O.	815	721	516	-205	(28.4%)
23	**Judiciary**					
	STATE GENERAL FUND (Direct):	$134,362,434	$138,862,434	$138,862,434	$0	0.0%
	STATE GENERAL FUND BY:					
	Interagency Transfers	0	10,670,000	10,436,500	-233,500	(2.2%)
	Fees & Self-gen Revenues	0	0	0	0	
	Statutory Dedications	7,369,538	9,497,651	9,650,831	153,180	1.6%
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$141,731,972	$159,030,085	$158,949,765	-$80,320	(0.1%)
	T.O.	0	0	0	0	
24	**Legislature**					
	STATE GENERAL FUND (Direct):	$67,324,614	$67,377,543	$67,377,543	$0	0.0%
	STATE GENERAL FUND BY:					
	Interagency Transfers	0	0	0	0	
	Fees & Self-gen Revenues	20,173,220	21,869,566	21,869,566	0	0.0%
	Statutory Dedications	6,795,227	16,864,028	13,200,000	-3,664,028	(21.7%)
	Interim Emergency Board	0	0	0	0	
	FEDERAL FUNDS	0	0	0	0	
		$94,293,061	$106,111,137	$102,447,109	-$3,664,028	(3.5%)
	T.O.	0	0	0	0	

Statewide Budget
Department Budget Summary

	Previous Year Actual FY 2011	Current Year EOB 12/1/2011 FY 2012	Next Year HB 1 Engrossed FY 2013	2013 - 2012 Dollar Change	Percent Change
26 Capital Outlay Cash					
STATE GENERAL FUND (Direct):	$136,629	$0	$0	$0	
STATE GENERAL FUND BY:					
Interagency Transfers	54,222,455	21,111,595	21,111,595	0	0.0%
Fees & Self-gen Revenues	33,683,000	104,006,350	102,006,350	-2,000,000	(1.9%)
Statutory Dedications	832,542,575	969,505,705	990,766,440	21,260,735	2.2%
Interim Emergency Board	1,340,000	0	0	0	
FEDERAL FUNDS	35,181,351	16,262,123	14,262,123	-2,000,000	(12.3%)
	$957,106,010	$1,110,885,773	$1,128,146,508	$17,260,735	1.6%
T.O.	0	0	0	0	

Non-Appropriated Requirements

	Previous Year Actual FY 2011	Current Year EOB 12/1/2011 FY 2012	Next Year HB 1 Engrossed FY 2013	2013 - 2012 Dollar Change	Percent Change
STATE GENERAL FUND (Direct):	$388,256,182	$414,625,631	$421,539,185	$6,913,554	1.7%
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	90,671,299	103,400,000	108,200,000	4,800,000	4.6%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$478,927,481	$518,025,631	$529,739,185	$11,713,554	2.3%
T.O.	0	0	0	0	
22 Non-Appropriated Requirements					
STATE GENERAL FUND (Direct):	$388,256,182	$414,625,631	$421,539,185	$6,913,554	1.7%
STATE GENERAL FUND BY:					
Interagency Transfers	0	0	0	0	
Fees & Self-gen Revenues	0	0	0	0	
Statutory Dedications	90,671,299	103,400,000	108,200,000	4,800,000	4.6%
Interim Emergency Board	0	0	0	0	
FEDERAL FUNDS	0	0	0	0	
	$478,927,481	$518,025,631	$529,739,185	$11,713,554	2.3%
T.O.	0	0	0	0	

Enhancements

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
00 -	Statewide		The FY 13 Executive Budget reduced the overall state budget $57.6 M SGF and $142.2 M Total MOF contingent upon the approval the governor's retirement legislative package. HAC amendments restored the original retirement reductions of $57.6 M SGF and $142.2 M Total MOF and enhanced the overall FY 13 budget in the amount of $22.8 M SGF and $55.5 M Total MOF. See Table Below FY 13 Executive Budget Adjustment ($57.6 M) ($142.2 M) FY 13 HAC Amendments $80.4 M $197.7 M Retirement Enhancement $22.8 M $55.5 M Based upon information provided to the LFO by the DOA, total retirement savings (excluding Higher Education) as a result of the administration's original retirement package of bills is approximately $120.9 M in SGF and $318.1 M in Total MOF. <u>At this time, LFO does not know the specific budgetary impact of the various retirement proposals as they stand today</u>. This enhancement represents the amount in the current version of HB 1 above what is currently in the FY 12 budget.	$22,737,051	$55,528,070	0
			Major Enhancements for Statewide	**$22,737,051**	**$55,528,070**	**0**
01 -107	Executive	Division of Administration	**<u>Bringing the Department of Environmental Quality (DEQ) online with LaGov</u>:** $881,000 of the $903,540 total MOF is funded by $381,000 SGF and $500,000 IAT from DEQ's Environmental Trust Fund in order to bring DEQ online with the LaGov system. According to the Division of Administration (DOA), approximately $125,000 of the $500,000 from DEQ will be utilized for salaries and related benefits for DEQ staff that will be housed at the DOA during the year of implementation (FY 13), approximately $125,000 of the $500,000 will be utilized for training DEQ agency personnel on using the system and approximately $250,000 of the $500,000 will be utilized for modifications to the current federal grant tracking module within the system to better service the federal grant needs of DEQ. The SGF will be utilized to pay any hardware and software maintenance costs ($136,000), software licenses ($225,000) and any needed hardware acquisitions ($20,000). At this time, DEQ is the only other state agency coming on-line with the system in FY 14. **<u>Additional funding for DOTD Agile Assets</u>:** $22,540 of the $903,540 total MOF is additional IAT budget authority associated with Transportation Trust Fund - Regular (TTF-R) costs for the ongoing maintenance of the Agile Assets LaGov (DOTD), which are increasing by $22,540 (hosting and software maintenance) for FY 13 for a total FY 13 cost of $1.3 M.	$381,000	$903,540	0
01 -107	Executive	Division of Administration	Increased costs for software maintenance support for the enterprise business applications. The specific software impacted by the increase in maintenance costs includes: $53,971 – SAP LaGov, $17,187 – Agile Assets, and $8,842 – other various applications.	$80,000	$80,000	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -107	Executive	Division of Administration	Increase for the vendor support (SAP) for ongoing maintenance of the mainframe hardware within the Office of Computing Services (OCS) for the ISIS-HR system (SAP – LaGov). The $200,000 SGF increase is included in the overall anticipated FY 13 maintenance costs of the LaGov system, which are approximately $4.7 M.	$200,000	$200,000	0
01 -107	Executive	Division of Administration	Additional SGF for 50 DOA employees anticipated to retire in FY 13. The Division of Administration (DOA) anticipates filling all of these positions once these individuals are retired. The specific retirement costs are associated with group insurance for retirees and does not include termination payments. The DOA is currently projecting post retirement obligations to be approximately $3 M in FY 13.	$614,066	$614,066	0
01 -111	Executive	Homeland Security & Emergency Prep	Increases federal budget authority to allow GOHSEP to continue providing reimbursements to state and local governments for expenses as a result of hurricanes Katrina, Rita, Gustav and Ike. The source of these funds is the Robert T. Stafford Disaster Relief & Emergency Assistance Act from FEMA and are directly related to the Public Assistance Program and the Hazard Mitigation Grant Program. These monies are used to fund the ongoing recovery efforts by state agencies, local governments, and certain non-profits as a result of hurricanes Katrina, Rita, Gustav and Ike. The funding increase is based upon prior year actual expenditures. In FY 11 GOHSEP expended $1,275,428,649 in federal budget authority. The FY 12 federal budget authority is approximately $1.3 B. GOHSEP has $1,271,560,795 of federal authority for FY 13. **Note:** For the past 2 fiscal years, the Joint Legislative Committee on the Budget (JLCB) has approved 2 BA-7s increasing the agency's federal budget authority for the same reason in the amounts of $326,591,155 for FY 10 and $182,380,873 for FY 11. The increase in the agency's federal budget authority for FY 13 should reduce the need for a mid-year budget adjustment in FY 13.	$0	$178,106,420	0
01 -111	Executive	Homeland Security & Emergency Prep	HAC amendment provides Disaster Community Development Block Grant (CDBG) funds for Hazard Mitigation Grant Program for homeowner elevation subject to Action Plan amendment approval by HUD. In order for the GOHSEP to provide the additional $100 M grant funding, the Division of Administration (DOA) will be required to submit an action plan amendment to the U.S. Department of Housing & Urban Development (HUD) to approve the movement of funds from various CDBG disaster funded programs.	$0	$100,000,000	0
01 -111	Executive	Homeland Security & Emergency Prep	HAC amendment provides Disaster Community Development Block Grant (CDBG) funds for the Hazard Mitigation Grant Program for homeowner elevation in Vermilion and Iberia Parishes.	$0	$23,678,330	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -116	Executive	LA Public Defender Board	Increases IAT budget authority in the amount of $31,791 for expenditures associated with updates to the LA Public Defender Board's Case Management System (CMS). The original source of the IAT funds is an Edward Byrne Memorial Justice Assistance Grant (JAG), which is a formula driven federal grant received annually, via the LA Commission on Law Enforcement (LCLE). These grant funds will be utilized to hire one part-time (32 hours per week) other compensation position and a consultant to identify and correct any transition issues in the new Public Defender Case Management System and enhance the ability of the agency to produce reports from the data contained within the system. A December 2011 approved BA -7 appropriated $94,518 for FY 12 expenditures and this adjustment seeks to appropriate the remaining grant funds in FY 13. The total expenditures to date for the new system is approximately $270,000. According to the LA Commission on Law Enforcement (LCLE), the state's 2010 Byrne/JAG grant allocation was $5.4 M of which approximately 70% must be allocated to local governments and approximately 30% to state government. According to the U.S. Bureau of Justice Assistance (BJA), the JAG Program provides states and local governments with funding to support law enforcement, crime prevention and education, corrections, drug treatment, technology improvement and crime victims and witness protection initiatives. The JAG formula grant funds are based upon the state's share of the national population and various crime statistics.	$0	$31,791	0
01 -116	Executive	LA Public Defender Board	Increases statutorily dedicated funding from the LA Public Defender Fund for legal fees associated with the appeal process for 2 of the 5 "Angola Five" defendants sentenced to death last year. Of the 5 defendants, 1 has been sentenced to life in prison without appeal, 2 have yet to go to trial and 2 who are in the appeals process. **Note:** The original source of funds is SGF deposited in the 20-XXX section of HB 1 into the LA Public Defender Fund.	$0	$400,000	0
01 -124	Executive	LA Stadium & Exposition District	Provides statutorily dedicated funding from the New Orleans Sports Franchise Fund by an additional $250,000 from $6 M to $6.25 M for operating expenditures including contractual obligations of the LA Superdome and the New Orleans Arena.	$0	$250,000	0
01 -129	Executive	LA Commission on Law Enforcement	Increase of $995,000 federal budget authority for the Crime Victims Assistance (CVA) Program from the U.S. Department of Justice. The Victims of Crime Assistance grants are to stimulate state participation, support for victim services program and promote victim cooperation with law enforcement. These federal grant funds will be utilized for the LA Automated Victims Notification System (LAVINS) that will expand the coverage and notification functionality of the current system to include information and notifications related to court events, offenders on probation and parole, juvenile cases and protection orders. The LA Automated Victim Notification System (LAVNS) is an online resource that allows a user to search for information regarding an offender's current custody and case status. A system user may register to be notified automatically when an offender is released, transferred, or escapes from a parish facility or has a change in case status. Total funding in FY 13 for LAVINS is $1,991,000 SGF and $995,000 Federal.	$0	$995,000	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -254	Executive	LA Racing Commission	Increases statutorily dedicated funding for the Equine Drug Testing contract with the LSU School of Veterinary Medicine, from $1,373,455 to $1,416,856 due to inflationary costs (3.16%). In FY 09, the Racing Commission adopted Anabolic Steroid Testing and the model rules enacted by the Association of Racing Commissioners International (ARCI). The contract period is from 7/1/2012 to 6/30/2013 and is funded with the Pari-mutuel Live Racing Facility Gaming Control Fund. Previous contract payments are as follows: FY 10 - $1,290,600; FY 11 - $1,331,383; FY 12 - $1,373,455; and FY 13 - $1,416,856.	$0	$43,401	0
01 -255	Executive	Financial Institutions	Additional SGR provides for 4 additional Compliance Examiner positions within the Depository Section due to recent bank mergers and bank acquisitions which have caused an increase in the amount of assets the agency is required to regulate. Examples of specific mergers/acquisitions include Hancock Bank/Whitney Bank and Iberia Bank acquiring various entities. Overall, the net assets OFI is now responsible for regulating has increased 27% from $45.5 B to $57.9 B, or an increase of $12.4 B. The specific expenditures of the $250,330 are broken down as follows: $183,832 - salary and $66,498 - related benefits.	$0	$250,330	4
01 -255	Executive	Financial Institutions	Additional SGR provides for travel of its examiners. Due to the recent mergers and acquisitions in the LA banking industry, the Office of Financial Institutions (OFI) is anticipating an increase in travel expenditures. The current year travel budget is $377,024. Thus, the additional $90,400 represents a 24% increase in the agency's travel for FY 13. The agency anticipates travel expenditures in FY 13 in the amount of $467,424. Overall, the net assets OFI is now responsible for regulating has increased 27% from $45.5 B to $57.9 B, or an increase of $12.4 B.	$0	$90,400	0
			Major Enhancements for Executive	**$1,275,066**	**$305,643,278**	**4**
03 -130	Veterans' Affairs	Dept. Veterans' Affairs	Funding for 3 additional positions for the opening of Central Veterans Cemetery in Vernon Parish ($105,837 SGF and $21,616 Federal). The 3 positions are for an Administrative Program Manager-3 and 2 horticulturist attendants ($86,259 in salaries and $41,194 in related benefits).	$105,837	$127,453	3

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
03 -132	Veterans' Affairs	Northeast LA War Veterans' Home	In order to meet the requirements of 2.5 hours of direct nursing care per resident per day set by the Federal VA, 3 direct patient care positions are being added to Northeast LA War Veterans' Home, including a Registered Nurse Supervisor, a Licensed Practical Nurse, and a Nursing Assistant. Funding consists of $47,293 in SGR and $105,268 in Federal funds from reimbursements from the Federal VA. Compensation will be as follows: **Registered Nurse Supervisor 2 - $72,759** Salary $55,120 Related benefits $17,639 **Practical Nurse License 2 - $49,315** Salary $37,360 Related benefits $11,955 **Nursing Assistant 2 - $30,487** Salary $23,000 Related benefits $7,487 **Total - $152,561** Salaries $115,480 Related benefits $37,081	$0	$152,561	3
03 -132	Veterans' Affairs	Northeast LA War Veterans' Home	Additional federal funding due to increased per diem reimbursements from the Federal VA for service-connected veterans (veterans with medical conditions as a result of their military service) and non service-connected veterans. The funds will be allocated as follows: $120,000 Medical supplies $120,000 Pharmaceuticals $60,000 Washing and replacing linen twice weekly for increased infection control $24,000 Contracted x-ray services $20,800 Feeding tube contracts $135,906 Contracted therapy services $115,200 Medications for newly admitted vets until approved for Aid & Attendance by the Federal VA **$595,906 TOTAL**	$0	$595,906	0
			Major Enhancements for Veterans' Affairs	**$105,837**	**$875,920**	**6**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04a-139	State	Secretary of State	Increases funding for voting machine warehouse rental leases. Since 2006, new warehouse rental leases have been secured for storage of the new voting machines in the following parishes: Ascension, Caldwell, Cameron, DeSoto, Grant, Jeff Davis, LaSalle, Morehouse, Orleans, Sabine, St. Helena, Washington, West, Carroll, East Carroll, Lafourche, Ouachita, St. John, Terrebonne, Winn, St. Mary, Vermilion and St. Bernard. The increased funding reflects the annual warehouse rental increase in these parishes. Total amount budgeted in FY 12 for warehouse leases is $2,129,143.	$600,000	$600,000	0
04a-139	State	Secretary of State	Provides SGR funding for professional services contract for the Commercial Division to allow businesses additional online filing capabilities and a new e-mail subscription service to notify interested parties of filings on business entities.	$0	$402,500	0
04a-139	State	Secretary of State	Provides SGF for state's portion (50%) of merits and training series for employees in the Registrar of Voters Offices. R.S. 18:59 requires the Secretary of State to pay 50% of merits for classified employees in registrars offices. The Civil Service Commission is not planning to uniformly suspend merits for all classified employees.	$179,678	$179,678	0
04a-139	State	Secretary of State	Increases SGR to provide for increased credit card processing costs due to an increase in merchant fees. The increased revenue is derived from a $3 increase in the credit card convenience fee that increases the charge to customers from $2 per transaction to $5 per transaction. These processing fees are based upon credit card processing expenses that includes information technology costs and merchant fees. The current fee generates $390,000 annually. The increased fee is an additional $408,000 annually (136,000 transactions x 3 = $408,000, or a total of $798,000). The balance of the increase reflected above is included in a separate FY 13 budget adjustment.	$0	$100,000	0
04a-139	State	Secretary of State	Provides SGR funding for salary and related benefits for 2 information technology unfunded positions. The agency realigned positions between programs, adding 2 positions to the Administration Program and reducing 2 positions from the Commercial Program. The additional funding added to Administration Program is to provide for the increased unfunded positions in that program.	$0	$90,000	0
			Major Enhancements for State	**$779,678**	**$1,372,178**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b-141	Justice	Attorney General	Increases pass-through funding from the U.S. Department of Justice for the Orleans Parish Post-Conviction DNA testing project. The LA Department of Justice was awarded $1,107,179 that will be used to help defray the costs associated with post-conviction DNA testing of certain crimes in which actual innocence might be demonstrated. The funds may also be used to review such post-conviction cases and to locate and analyze biological evidence associated with these cases. The grant began on 1/1/2012 and will end on 6/30/2013. For FY 13, $768,640 will be transferred to Orleans Parish for post-conviction DNA testing for an increase of $430,101 over the FY 12 amount. In FY 12, a total of $338,539 will be transferred to Orleans Parish. Orleans Parish will send invoices to the LA Attorney General office and the department will reimburse Orleans Parish.	$0	$430,101	0
04b-141	Justice	Attorney General	HAC amendment increases SGR funding in the amount of $3.97 M, from the Mortgage Settlement Agreement. The funding will be used for 3 activities which are the Mortgage Settlement Agreement in the amount of $2,019,340; Chinese drywall litigation in the amount of $976,689; and Insurance Fraud Investigation Unit in the amount of $975,113. The $2 M for the Mortgage Settlement Agreement will be used to oversee the settlement amount through audits to ensure the money is spent within the parameters of the agreement. The $976,689 for Chinese Drywall litigation will be used to continue litigation associated with the drywall, which includes the use of private law firms to assist in the litigation. The $975,113 will be used to fund the Insurance Fraud Investigation Unit, which will begin operation in FY 13, dependent on the passage of SB 251. The funding will provide for salaries and related benefits ($401,813) for 7 positions (2 attorneys, 2 administrative assistants, 1 forensic accountant, 1 investigator, and 1 paralegal); operating expenses ($166,000): other charges ($150,000): and acquisitions ($79,300).	$0	$3,971,142	0
			Major Enhancements for Justice	**$0**	**$4,401,243**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04d-147	Treasury	State Treasury	Additional SGR authority in the amount of $138,000 for the following: $18,000 - rental space for offsite backup location to house replication servers and backups. The State Treasury currently does not have an offsite backup location. $80,000 - computer license expenditures to address compatibility issues associated with Microsoft Office 2003, 2007 and 2010. In addition, funding will be utilized to upgrade the server's operating system from Microsoft 2000 and 2003 to 2008. $40,000 - upgrade to the Debt Tracking & Accounts Receivable System (DTARS) utilized by the State Bond Commission for tracking and reporting debt applications. The system was originally created in 1999 with Microsoft Access 97 and subsequently upgraded to Microsoft Access 2003. According to State Treasury, the system cannot be upgraded to Microsoft Access 2007 due to various compatibility issues. Thus, a new upgraded system is needed because the current system is not compatible with other applications utilized by bond commission staff. The DTARS currently has $20,000 appropriated in FY 12 and upon appropriation of these additional funds there will be $60,000 for DTARS in the FY 13 budget.	$0	$138,000	0
04d-147	Treasury	State Treasury	HAC amendment provides additional SGR authority in the amount of $150,000 in order for the LSU AgCenter to determine local population estimates. Current law provides for the allocation of certain tax money in the 2% Fire Insurance Fund and the Parish Transportation Fund in which proceeds are distributed to each parish on the basis of population shown by the latest federal census or as determined by the Division of Business & Economic Research of LA Tech University. The estimates must be made under the latest federal-state cooperative program and will be issued once each year prior to January 15. SB 421 of 2012 retains current law but replaces the Division of Business & Economic Research of LA Tech University with the LSU Agriculture Center. LA Tech no longer produces the necessary population estimates. Census estimates are available at no charge on the website and are released each April for population estimated as of the prior July 1. Thus, the Census population estimate in place on the January 15 reporting deadline is an estimate of 2 years prior. According to the AgCenter, AgEcon can produce similar population estimates and include municipalities but make the prior year population estimates ready by the January 15 reporting deadline, which would distribute funds based on more recent information than Census. In order to produce the estimates, AgEcon indicates it would require $150,000 as an initial cost to update the model to the latest available information. Treasury indicates that some amount, most likely less than $150,000 per year, will be required to continue the production of estimates.	$0	$150,000	0
			Major Enhancements for Treasury	**$0**	**$288,000**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04e-158	Public Service Commission	Public Service Commission	Increases Statutory Dedications from the Utility & Carrier Inspection & Supervision Fee Fund for IT contracts for system maintenance and support, including the STAR PSC case management system to facilitate all aspects of electronic filing ($25,000), software development for the addition of taxi registration ($25,000), and the production of public service announcements for the Conserve Energy Campaign and other utility announcements ($10,000). Additional services which are impacted include operating expenses ($107,578) such as increased automotive maintenance since no fleet acquisitions are funded, travel, licensing fees computer maintenance and increases to subscriptions and building rentals. All of the statutory dedication funding is derived from fees remitted by the industry for regulatory and oversight expenses.	$0	$167,578	0
			Major Enhancements for Public Service Commission	**$0**	**$167,578**	**0**
04g-165	Insurance	Commissioner of Insurance	Network service support agreement to maintain the department's network and desktop system and provide augmentation to the information technology staff. This adjustment provides funding to replace computers, servers and printers as per industry and state standards with regard to effective life span of equipment. The Department of Insurance plans to acquire the following replacement items during FY 13: 2 hard drive data duplicators ($279,765), 10 servers ($136,000), network monitoring device ($3,975), 15 laptop computers ($17,580), 40 personal computers with monitors ($36,000), 7 network color printers ($21,000), and 4 network black and white printers ($8,000).	$0	$502,320	0
			Major Enhancements for Insurance	**$0**	**$502,320**	**0**
05 -251	Economic Development	Office of Secretary	Increases SGF to provide for operational costs of the FastStart Program based on 75 active projects. The program is implemented through the LA Community & Technical Colleges and provides specific job training tailored to the needs of certain businesses. Total funding for the FastStart Program in FY 12 was $5.6 M across all expense categories. This adjustment will increase the total FY 13 funding for FastStart to $6.5 M.	$935,000	$935,000	0
			Major Enhancements for Economic Development	**$935,000**	**$935,000**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 -262	Culture, Recreation & Tourism	State Library	Increases federal budget authority for available Library Services & Technology Act (LSTA) grant funds. These funds will be used to purchase e-books.	$0	$1,000,000	0
06 -262	Culture, Recreation & Tourism	State Library	Provides funding for student workers. Currently, the Office of State Library has no student workers. This funding will allow the agency to hire 7 student workers and will be allocated as follows: 1 Administration/Library Development – answering phones, filing, helping with annual Book Festival, copying, preparing packets for workshops, helping with workshop registration. 2 Circulation – shelving books and other materials, organizing materials on shelves, checking in materials, preparing materials for shipping and mailing. 2 Talking Books & Braille Library – rewinding tapes, cleaning tapes, shelving tapes and digital media, retrieving talking books for users and shipping and mailing. 1 LA Department – shelving books and other materials, simple preservation tasks, filing. 1 Cataloging – put jackets and labels on books, minor book repair, stamp and add sensor strips to new library materials.	$64,590	$64,590	0
06 -262	Culture, Recreation & Tourism	State Library	Provides funding for the LA Book Festival from the Office of Tourism. The source of funding is the LA Promotion Tourism District. Total funding for the event in HB 1 is $300,000, including Federal funds in the amount of $200,000 from the Library Services & Technology Act (LSTA). The additional funding will replace one-time funding from private sources. The Festival is scheduled for 10/27/2012 in Baton Rouge.	$0	$100,000	0
06 -262	Culture, Recreation & Tourism	State Library	Increases SGR budget authority due to registration fees being collected at workshops by the Office of State Library (OSL). OSL charges nominal fees for workshops presented for the public library staff. Fees range from $15 to $60 per workshop, depending on length of workshop and expenses incurred. In the past these fees went to the LA Library Foundation for training needs. OSL will directly receive these funds and expend them on training for public library staff.	$0	$49,095	0
06 -263	Culture, Recreation & Tourism	State Museum	Provides IAT funds from the Office of Tourism and 7 positions to operate the new LA Sports Hall of Fame Museum in Natchitoches. The museum is scheduled to open in the summer of 2012. Funding from the LA Tourism District will be utilized for this purpose. Expenditures will be budgeted as follows: personal services ($346,786); travel ($5,000); operating services ($100,000); supplies ($25,000); professional services ($60,000); IAT ($16,000); and acquisitions ($125,000).	$0	$677,786	7
06 -265	Culture, Recreation & Tourism	Cultural Development	HAC amendment increases funding from the LA Mega-Project Development Fund to the Office of Historic Preservation for urban redevelopment and restoration activities. Specifically, funding will be utilized for the Main Street Program which attempts to rejuvenate downtown commercial districts.	$0	$500,000	0
06 -267	Culture, Recreation & Tourism	Tourism	Provides SGR funding from the LA Tourism Promotion District for the Super Bowl to be held at the Mercedes-Benz Superdome in New Orleans on 2/3/2013.	$0	$6,000,000	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 -267	Culture, Recreation & Tourism	Tourism	Provides SGR funding from the LA Tourism Promotion District for the Women's NCAA Final Four to be held at the New Orleans Arena 4/7-4/9/2013.	$0	$1,000,000	0
			Major Enhancements for Culture, Recreation & Tourism	**$64,590**	**$9,391,471**	**7**
07 -276	Transportation & Development	Engineering & Operations	Provides federal budget authority for reimbursement of expenses associated with rural transit projects authorized under the Federal Transit Authority. DOTD was awarded $10.4 M of which $7.4 M was appropriated in FY 12 through BA-7 adjustment. This adjustment appropriates the remainder of the grant award in FY 13. There was no corresponding reduction removing the $7.4 M current year funding from DOTD's base operating budget. The Federal Transit Agency recently deemed eligible for reimbursement additional rural transit operating expenses associated with rural ferries ($2 M) and the department continues to seek opportunities for additional federal reimbursements to utilize the balance of the FY 12 authority that remains in the executive budget recommendation.	$0	$3,000,000	0
07 -276	Transportation & Development	Engineering & Operations	Provides federal budget authority for the Commercial Vehicle Information Systems & Networks (CVISN) grant. This grant provides funding to LA for the continued deployment of CVISN requirements related to the establishment of a national infrastructure capable of electronically collecting and exchanging safety performance and credentials information within and among states, federal agencies and commercial motor carriers. The ongoing implementation in LA involves enhancements to the Commercial Vehicle Information Exchange Window System (CVIEWS), implementation of web-based permitting for registration trip permits, implementation of E-credentialing and filing for purposes of the International Fuel Tax Agreement (IFTA), Permits Electronic Routing Bridge Analysis enhancements for commercial motor carriers to use in route planning, and outreach and education activities related to CVISN.	$0	$2,396,325	0
07 -276	Transportation & Development	Engineering & Operations	Provides Statutory Dedications funding from the Transportation Trust Fund - Regular for additional supplies associated with road maintenance materials (hot mix, asphalt, aggregate, paint, etc.) to maintain state roads and traffic operations within the districts and the traffic operations center. With this adjustment, DOTD's budget for these types of supplies will exceed $25 M for FY 13.	$0	$2,215,913	0
07 -276	Transportation & Development	Engineering & Operations	Provides additional SGR authority for increased costs for diesel fuel and oil drums for ferries operating at the Crescent City Connection Division. The adjustment provides for a full year of operation. DOTD reports that it plans to operate the CCCD ferries through FY 13 using unreserved fund balances from the CCCD Trust Fund, or until such time that the operation is successfully privatized.	$0	$300,000	0
			Major Enhancements for Transportation & Development	**$0**	**$7,912,238**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B-419	Public Safety	State Police	Provides SGR funding for higher fuel costs to operate the State Police fleet. The fuel allocation in the existing operating budget is $4.68 M. The appropriation for FY 13 will total $7.7 M. State Police is underfunded for anticipated fuel expenditures in FY 12 and will require a supplemental appropriation. Historically, the agency had sufficient authority in other line items to cover this shortage but can no longer do so due to budget reductions. The SGR is available because of reductions to statewide funding items such as the FY 12 27th pay period, the state employee retirement rate adjustment, and a reduction in authority for acquisitions and major repairs.	$0	$3,017,718	0
08B-422	Public Safety	State Fire Marshal	Provides Statutory Dedications funding for indirect costs associated with human resources, budgeting, finance, and information technology/data support to be provided by the Office of Management & Finance. The means of financing is Statutory Dedications - LA Fire Marshal Fund.	$0	$956,792	0
08B-424	Public Safety	Liquefied Petroleum Gas Commission	Provides Statutory Dedications funding for indirect costs associated with human resources, budgeting, finance, and information technology/data support to be provided by the Office of Management & Finance. The means of financing is Statutory Dedications - Liquefied Petroleum Gas Commission Rainy Day Fund.	$0	$151,541	0
			Major Enhancements for Public Safety	**$0**	**$4,126,051**	**0**
09 -300	Health & Hospitals	Human Srvcs. District	Increases SGR to the human service districts to align with projected payments from the Statewide Management Organization (SMO) as a result of services provided under the LA Behavioral Health Partnership (LBHP). Projected collections are based on figures provided by Mercer, which is a consulting firm hired by the Department of Health & Hospitals to analyze the state's transition to a coordinated system of behavioral health care and any savings that could result.	$0	$1,838,177	0

Metropolitan Human Services District	$300,000
Jefferson Parish Human Services Authority	$579,795
Florida Parishes Human Services Authority	$281,553
Capital Area Human Services District	$340,952
South Central LA Human Services Authority	$335,877
Total	**$1,838,177**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -305	Health & Hospitals	Medical Vendor Administration	Provides additional funding ($1,164,150 SGF and $1,164,150 Federal) for an increase in the contract for the fiscal agent that processes payments in "self-direction" in home and community based services. Recipients in self-direction hire their own workers and choose their pay and working schedule. They do not go through a traditional provider agency, which offers the recipient more choices and control in the delivery of services. The Office of Aging & Adult Services and Office for Citizens with Developmental Disabilities anticipate 3,000 individuals can take advantage of this program. The cost of the contract is based on $119.40 per individual ($29,850/250 individuals). The calculation is reflected below.	$1,164,150	$2,328,300	0

Month	# Added	Mo. Funded	Cost	Month	# Added	Mo. Funded	Cost
July	250	12	$358,200	Jan.	250	6	$179,100
Aug.	250	11	$328,350	Feb.	250	5	$149,250
Sept.	250	10	$298,500	March	250	4	$119,400
Oct.	250	9	$268,650	April	250	3	$89,550
Nov.	250	8	$238,800	May	250	2	$59,700
Dec.	250	7	$208,950	June	250	1	$29,850
Subtotal	1,500		$1,701,450	Subtotal	1,500		$626,850
				TOTAL	**3,000**		**$2,328,300**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -305	Health & Hospitals	Medical Vendor Administration	Provides funding ($240,000 IAT and $2,160,000 Federal) to procure an independent validation and verification contract for the Medicaid Eligibility Data System (MEDS) Enhancement Project. MVA intends to hire a contractor to provide professional services regarding the development and upgrade of MEDS, with a major developmental milestone of Affordable Care Act (ACA) compliant operational capacity by January 2013, in addition to MVA's goal of real-time eligibility determination. MVA is specifically interested in vendor solutions to real-time eligibility determinations taking place using service oriented architecture (SOA). The specific schedule, deliverables, and respective roles of the MVA and the contractor are yet to be determined. The source of federal funds is Medicaid Administration federal financial participation.	$0	$2,400,000	0
09 -305	Health & Hospitals	Medical Vendor Administration	Provides funding ($4,134,294 SGF and $4,134,294 Federal) related to Bayou Health that will be used mostly for the enrollment broker contract for DHH Coordinated Care Networks and a call center for resolution of Managed Care recipient questions and concerns. Specifically, the enrollment broker is responsible for managed care provider enrollment, dis-enrollment, and provide call in and web based access for managed care choice. The source of Federal funds is Medicaid Administration federal financial participation. The following is the increased amount associated with existing contracts:	$4,134,294	$8,268,588	0

$7,622,170	Maximus Enrollment Broker contract ($1.9 M for a Call Center)
$161,701	IPRO contract increase
$75,000	CPA contract increase
$164,917	Ombudsman contract increase
$225,000	ULM/GEO contract increase
$19,800	CLM contract increase
$8,268,588	**Total**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -305	Health & Hospitals	Medical Vendor Administration	Provides funding ($281,825 SGF and $281,825 Federal) for a new state plan option for Personal Care Services. Information provided by the department indicates that the Affordable Care Act authorizes enhanced match funding for personal care services to the extent the department implements a new state plan option for Long Term Personal Care Services (LT-PCS). This option requires implementation of consumer directed services (recipients allowed to pick own provider and services under federal guidelines) and provides for additional reporting requirements of DHH (including reports of critical incidences related to recipients). This funding increases an existing LT-PCS contract as a result of increasing deliverables of the contract. The contractor, ACS, will now be required to investigate and submit reports related to consumer critical incidents (ie, accidents, falls, injury or abuse). The contract increase (budget adjustment) is based on an average cost per critical incident report of $65.61 on 8,590 recipients.	$281,825	$563,650	0
09 -305	Health & Hospitals	Medical Vendor Administration	Provides federal funding to implement a common access system consisting of web based portals to allow information sharing between the Department of Children & Family Services (DCFS) and DHH. In FY 12 approximately $2,616,270 is allocated to DCFS for the common access system consisting of web based portals.	$0	$772,516	0
09 -305	Health & Hospitals	Medical Vendor Administration	Provides funding ($672,914 SGF and $6,056,229 Federal) for the replacement of the Medicaid Management Information System (MMIS) for Dual Fiscal Intermediary. A replacement MMIS contract was awarded on 6/9/2011. In FY 13 funding will be needed for the design, development and implementation phase of the project. The source of federal funds is Medicaid Administration federal financial participation. The replacement project intends to modernize the system used to enroll and pay Medicaid providers. The MMIS system processes 51 million Medicaid claims annually for approximately 30,000 Medicaid providers. There are 2 vendor contracts associated with the MMIS replacement project, including an independent validation contract to assist the department with meeting all federal guidelines (the Public Consulting Group), and the actual MMIS vendor/replacement fiscal intermediary (Client Network Services, Inc.) $25,895,813 FY 13 projected MMIS replacement funding ($19,166,670) FY 12 base funding $6,729,143 FY 13 requested increase adjustment	$672,914	$6,729,143	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -305	Health & Hospitals	Medical Vendor Administration	Provides funding ($420,469 IAT and $420,469 Federal) for the Greater New Orleans Community Health Connections (GNOCHC) administrative professional services costs associated with an enrollment broker service contract to link GNOCHC recipients to a participating Patient Centered Medical Home. The source of the IAT is Community Development Block Grants (CDBG) funds from the Division of Administration. The GNOCHC is a primary and behavioral health access program in the greater New Orleans area implemented after Hurricane Katrina. The program provides a medical home through clinic care to low income uninsured adults, and is authorized under the Medicaid Section 1115 demonstration waiver. GNOHC providers are limited to the providers that were awarded under the Primary Care Access & Stabilization Grant. Information provided by DHH indicates there are approximately 19 organizations and 39 service sites available to eligible recipients under this demonstration. This funding does not represent payments to providers, but funding for administrative costs associated with the enrollment broker contract which will link GNOCHC recipients to a participating patient centered medical home.	$0	$840,938	0
09 -305	Health & Hospitals	Medical Vendor Administration	Adds Federal funds ($2,565,044) and transfers $4,275,073 SGF from the Office of the Secretary due to the restructuring of the IT Section. Funding will be utilized for professional services contracts with the University of New Orleans (UNO) to accomplish the same purpose.	$0	$2,565,044	0

	MVA	Office of the Secretary
SGF	$4,275,073	($4,275,073)
Federal	$2,565,044	$0
Total Cost	$6,840,117	($4,275,073)

Note: This adjustment resulted in the reduction of approximately 67 positions and appears to result in higher cost over the current level of expenditures for the same function. The reduction in positions is reflected in the LFO Major Reductions Section in the Office of the Secretary (Schedule 09-307)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -305	Health & Hospitals	Medical Vendor Administration	Annualization of funding ($1,900,447 SGF and $1,900,446 Federal) for administrative costs associated with the LA Behavioral Health Partnership ($3,210,014); and for an additional 30 non-T.O. positions responsible for processing the influx of enrollment applications for the LA Behavioral Health Partnership ($590,879).	$1,900,447	$3,800,893	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides Federal funds for the Greater New Orleans Community Health Connection to preserve primary and behavioral health care access restored and expanded after Hurricane Katrina with U.S. Department of Health & Human Services Primary Care Access & Stabilization Grant funds. There is no state match requirement. Total funding in FY 13 (including this adjustment) is $28,033,226. This funding will be used to pay waiver providers (primary care clinics in the Greater New Orleans area) for providing care to the uninsured.	$0	$2,798,359	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($58,050,999 SGF and $201,517,033 Federal) for the State Management Organization (SMO) and the LA Behavioral Health Partnership (LBHP). The source of the Federal funds is Title XIX federal financial participation.	$58,050,999	$259,568,032	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Increases SGF in the Buy-Ins & Supplements Program for "Clawback" funding. The clawback, or phased down state contribution, represents payments that are made by LA Medicaid to the federal Medicare Program (as required by the Centers for Medicare & Medicaid Services) on a monthly basis to cover the cost of the Medicare Prescription Drug Program, Part D. As of January 2006, dual eligibles receive prescription drug benefits from Medicare and not Medicaid. The amount that each state is designed to pay is based on what a state would pay if a dual eligible Medicaid enrollee would have continued to receive their prescription drug benefit under Medicaid. Dual enrollees are enrolled in both Medicaid and Medicare. This funding is the result of a projected increase in enrollees resulting in an increase in the monthly CMS per capita phased down amount required to be paid which is governed by federal regulations. Clawback EOB $100,604,096 Projected clawback payments $104,957,935 Additional funding required $4,353,839	$4,353,839	$4,353,839	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides annualized funding ($1,715,866 SGF and $4,279,473 Federal) for payments to 14 rural health clinics (RHC's) and 8 federally qualified health centers (FQHC's) that enrolled in FY 12. The source of Federal funds is Title XIX federal financial participation. The increased funding represents Medicaid claims payments for Medicaid eligible encounters at these health centers. Projected costs are based on an average payment per month ($52,674 for FQHC's and $39,218 for RHC's) and annualized for FY 13. These safety net providers offer primary care services and supplies in rural areas that are considered medically underserved as designated by the federal government. DHH anticipates these 22 new providers will obtain Centers for Medicare & Medicaid Services (CMS) licensing and certification in FY 13. Based on the February Medicaid Monthly Financial Report, DHH projects to spend approximately $84,994,558 on claims payments to FQHC's and RHC's in FY 12.	$1,715,866	$5,995,339	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replacing one-time savings ($1,078,020 SGF and $2,688,647 Federal) in FY 12 caused by changing the method by which outlier pool payments are paid.	$1,078,020	$3,766,667	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($30,526,911 SGF and $76,135,950 Federal) for utilization increase. The source of Federal funds is Title XIX federal financial participation. Information provided by the DHH indicates this adjustment is based on an inflation factor of 4.4%, and not growth in the number of actual Medicaid recipients.	$30,526,911	$106,662,861	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($4,133,168 SGR and $10,308,371 Federal) for the Emergency Ambulance Upper Payment Limit (UPL) Program. The source of Federal funds is Title XIX federal financial participation. The source of Self Generated Revenue is local government revenue that will be used by DHH Medicaid as a state match source to draw federal match to make these payments. Information provided by the department indicates these supplemental payments will result in payment rates to ambulance providers that are up to the private insurance rates. Total funding for Ambulance UPL in FY 13 is $28,941,539.	$0	$14,441,539	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($464,028 SGF and $1,157,313 Federal) for 500 additional Community Choices Waiver slots. This was formerly known as the Elderly & Disabled Adult (EDA) Waiver. The source of Federal funds is Title XIX federal financial participation. The Community Choices Waiver is a home and community based services waiver that offers certain services to individuals age 65 and older, or disabled and over 21. Services include case management, transition services, home modifications, and health/medical and social services provided for at least 5 hours per day provided in a community based center. Projected expenditures are based on an average monthly cost of $2,219.	$464,028	$1,621,341	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($697,336 SGF and $1,739,198 Federal) for 761 currently filled Adult Day Health Care Waiver (ADHC) slots. The source of Federal funds is Title XIX federal financial participation. The ADHC waiver provides certain services to qualified individuals in a licensed and Medicaid enrolled Adult Day Health facility. Specific services include assistance with activities of daily living, health and nutrition counseling, health education classes, social services, transportation, and exercise programs. Eligibles must be financially eligible under Medicaid (based on income and resource limits) and are either over age 65 or over age 22 with a disability. Projected expenditures are based on an average monthly cost of $931 associated with ADHC and 761 recipients phased in FY 13. FY 12 ADHC base expenditures: $6,067,641 FY 13 annualized costs $2,436,534 FY 13 Projected ADHC cost $8,504,175	$697,336	$2,436,534	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($40,220 SGF and $100,310 Federal) for an increase in reimbursement of End Stage Renal Disease crossover claims by 1.8%. Medicare is increasing its reimbursement and Medicaid must do the same for the 20% of the dual eligible claims in this category.	$40,220	$140,530	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($270,940 SGF and $675,740 Federal) for the annualization of 365 Children's Choice Waiver (CCW) slots filled during FY 12. The source of Federal funds is Title XIX federal financial participation. The Children's Choice Waiver is an option for children (birth through 18) that are on the NOW waiting list (families can choose this option, or remain on the waiting list until NOW services are offered). Children's Choice services are capped at $17,000 annually per recipient. Specific services include support coordination, family support, center based respite, and family training. Projected expenditures are based on an average monthly cost of $966 for Children's Choice recipients and 365 recipients phased in FY 13. FY 12 Childrens Choice base expenditures $14,071,611 FY 13 annualized costs $946,680 FY 13 Projected CCW cost $15,018,291	$270,940	$946,680	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides Federal funds (Certified Public Expenditures) in the amount of $367,464 for Non Emergency Medical Transportation services. This federal money will be reimbursed to local transportation providers for transporting Medicaid recipients for Medicaid eligible services. There will be no state match requirement as the DHH will utilize prior local transportation expenditures by the local parish/city government as a match source. This increase reflects the Federal funds (federal match) to be paid to providers. Local Expenditure (match source already spent): $147,336 Federal Financial Participation (match): $367,464	$0	$367,464	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($1,476,964 SGF and $3,683,637 Federal) for 8 new federally qualified health centers and 8 new rural health clinics projected to enroll in FY 13. The source of federal funds is Title XIX federal financial participation. The increased funding represents Medicaid claims payments for projected Medicaid eligible encounters at these health centers in FY 13. Projected costs are based on an average payment per month ($52,674 for FQHC's and $39,218 for RHC's). These safety net providers offer primary care services and supplies in rural areas that are considered medically underserved as designated by the federal government. DHH anticipates these 16 new providers will obtain Centers for Medicare & Medicaid Services (CMS) licensing and certification in FY 13. Information provided by DHH indicates there are approximately 77 FQHC's and 115 RHC's participating in Medicaid. Based on the February Medicaid Monthly Financial Report, DHH projects to spend approximately $84,994,558 on claims payments to FQHC's and RHC's in FY 12.	$1,476,964	$5,160,601	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($449,920 SGF and $1,122,128 Federal) for hospice rates which are tied to the Medicare fee schedule. The source of Federal funds is Title XIX federal financial participation.	$449,920	$1,572,048	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($90,466 SGF and $225,629 Federal) for Rural Health Clinic (RHC) and Federally Qualified Health Center (FQHC) Medicare Economic Index Rate adjustment. The source of Federal funds is Title XIX federal financial participation. This funding will cover the cost of inflation on prospective payment system rates as determined by the published Medicare Economic Index (MEI). The MEI is a measure of inflation for physicians. The MEI is updated annually, and is based on a formula that factors in physician practice costs, medical equipment cost, and general wage levels. The MEI is used for determining allowable charges for physician services. According to DHH, this adjustment will put the state in compliance with the Centers for Medicare and Medicaid Services (CMS), as these inflationary payment increases are currently required through the Medicaid State Plan. The projected increase is based on an MEI inflation factor of .003% of the total cost of approximately 191 clinics. Number of clinics 191 Projected costs FY 13 $105,364,729 MEI .003% FY 13 adjustment $316,095	$90,466	$316,095	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($136,582 SGF and $340,643 Federal) for the annualization of 90 Supports Waiver slots filled during FY 12. The source of Federal funds is Title XIX federal financial participation. The Supports Waiver offers home and community based services for individuals who would otherwise require and be eligible for institutional care. Some specific services offered under the waiver include supported employment, day habilitation, prevocational services, and respite. Eligible individuals must be at least 18 and considered developmentally disabled (before age 22), and must meet certain financial (income and resource) requirements. Projected expenditures are based on an average monthly cost of $707 for Supports recipients and 90 recipients phased in FY 13. FY 11 Supports base expenditures $13,710,995 FY 13 annualized costs $477,225 FY 13 Projected Supports cost $14,188,220	$136,582	$477,225	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($18,034,386 SGF and $45,000,867 Federal) for Long Term Personal Care Services (LT-PCS) utilization. The source of Federal funds is Title XIX federal financial participation. LT-PCS is a state plan service that provides services to individuals 65 or older, or age 21 and older with a developmental disability that meet the level of care standards for admission into a nursing facility. Services include assistance with activities of daily living (ADL), such as eating, bathing, dressing, grooming, walking, and meal preparation. This increase will align the budget for LT PCS with prior year actual expenditures. FY 11 Actuals $190,187,275 FY 12 Projected $188,231,293 FY 13 Projection $201,521,642	$18,034,386	$63,035,253	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($4,948,601 SGF and $12,342,108 Federal) for the annualization of 877 NOW Waiver slots filled during FY 12. The source of Federal funds is Title XIX federal financial participation. NOW is a home and community based waiver program that offers specific services as opposed to institutional care. Services include assistive devises, respite, day habilitation, transportation, employment related training, environmental adaptations, supervised independent living and skilled nursing services. Projected expenditures are based on an average monthly cost of $2,505 for NOW recipients under age 16 and approximately $3,463 for NOW recipients over age 16, 161 recipients age 16 and under, and 716 recipients over age 16. FY 12 NOW base expenditures $416,124,100 FY 13 annualized costs $17,290,709 FY 13 Projected NOW cost $433,414,809	$4,948,601	$17,290,709	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($397,790 SGF; $13,700,063 Statutory Dedications; and $35,160,895 Federal) for nursing home rebasing adjustment in FY 13. The source of Statutory Dedication funding is revenue from the Medicaid Trust Fund for the Elderly (MTFE). Both interest earnings and principle are used for nursing home rebasing (rate increases) and other long term care expenses in Medicaid. This adjustment represents the net increase of the nursing home rebase sunset (rate review) and FY 13 nursing home rebase. **Medicaid Trust Fund for the Elderly Appropriation** FY 12 Existing Budget $97,222,925 FY 13 Recommended Budget $97,871,479 FY 13 Increase $648,554	$397,790	$49,258,748	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($1,509,278 SGF and $27,692,513 Federal) for primary care provider rate increase. The source of Federal funds is Title XIX federal financial participation. Information provided by DHH indicates that LA Medicaid will be required to reimburse certain physicians for certain procedure codes at the higher of one of two rates (100% of Medicare's 2009 or 2013 fee schedule). These Medicaid rate payments are based on requirements of the Affordable Care Act. Qualifying physicians include family practice, general practice, internal medicine, and pediatric medicine. Specific codes that will be affected include evaluation and management services (99201-99499) and immunization administration service codes (90465-90468, and 90471-90474). The projected increase is based on the following calculations: FY 2011 claims for these codes: 19,422 FY 2011 payments for claims: $164,597,968 Estimated claims cost based on priced at 7/1/2009 La Medicaid fee schedule: $169,871,475 Estimated claims cost based on the Medicare 2009 Medicare rate: $193,799,759 LA cost: $169,871,475 minus $164,597,968 = $5,273,507 ($1,931,686 SGF) 100% Federal cost: $193,799,759 minus $169,871,475 = $23,928,284 Total cost (state and federal) = $29,201,791	$1,509,278	$29,201,791	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($1,659,380 SGF and $4,140,620 Federal) for the Program of All Inclusive Care for the Elderly (PACE) utilization increase. This state plan service is a managed care model of care in which pace providers provide community based services for certain eligible elderly individuals. To be eligible, individuals must be at least 55, and certified by Medicaid to require facility level of care. PACE providers coordinate and provide all preventive and primary care services, and acute and long term care services for eligibles for a capitated per member per month reimbursement from Medicaid. PACE providers assume full financial risk associated with the care of the participants. Required services include primary care, social work, personal care, and supportive services, nutrition counseling, prosethics, and orthotics, DME, hearing aids, dentures, transportation, meals, recreational therapy, lab and x ray, drugs, and inpatient care. The program is voluntary. The increase is based on an average cost per client of $33,932, and a projection of approximately 374 PACE enrollees in FY 13. The projected budget for FY 13 is $12,690,507.	$1,659,380	$5,800,000	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($119,669,979 SGF and $298,464,121 Federal) for a shortfall in the Private Providers Program. The source of Federal funds is Title XIX federal financial participation. Based on the FY 12 Medicaid Monthly Financial Report (January), the Medicaid Program is projecting a year end deficit in the Payments to Private Providers Program of approximately $456,172,517. This adjustment aligns the FY 13 base budget with the current level of projected expenditures (projecting program expenditures based on prior year expenditures by category and current year shortfall).	$119,669,979	$418,134,100	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($69,869 SGF and $174,258 Federal) for a smoking cessation counseling program. The program is projected to cost $463,663 and will result in a reduction in claims by $219,536 in FY 13. The source of Federal funds is Title XIX federal financial participation. The program will provide Medicaid reimbursements for smoking cessation counseling sessions (16 counseling sessions per year for pregnant women up to 21 years of age). The projected net fiscal impact in FY 13 is reflected below:	$69,869	$244,127	0

FY 13 Program Savings:

projected # of Cessation Program eligible Medicaid recipients	1,351	
Paid claims for these eligibles (FY 11 claims)	$1,829,471	
Projected success rate of Cessation Program	12%	
FY 13 estimated savings from Cessation Program	($219,536)	reduction in claims cost by 12%

FY 13 Program Cost:

projected # of Cessation Program eligible Medicaid recipients	1,351
Projected cost for initial counseling (@66% participation) (1,351x$15 sess. x 2 sess. x 66%)	$26,750
Projected cost for follow up counseling sessions (1,351 x $35 sess. x 14 sess. x 66%)	$436,913
Total projected annualized cost in FY 13 ($26,750+$436,913 minus $219,536)	$244,127

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($842,037 SGF and $2,100,091 Federal) to increase inpatient hospital rates for small rural hospitals per Act 327 of 2007. The Act requires DHH to raise the rates annually by the Medicare market basket inflation factor. Information provided by the Department of Health & Hospitals indicates this payment methodology is included in the LA State Plan. The source of Federal funds is Title XIX federal financial participation. The adjustment is based on the following calculations.	$842,037	$2,942,128	0

	Payment rate	x Paid Days	Annual Amount	x 4.4%	45 day lag	FY 13 Amt. (less lag)
Acute	$1,587.47	38,868	$61,701,784	$2,714,878	$334,711	$2,380,167
Psych	$862.31	16,894	$14,567,865	$640,986	$79,026	$561,961
Total			$76,269,649	$3,355,865	$413,737	$2,942,128

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($28,136,068 SGF and $70,173,044 Federal) to replace a one-time decrease associated with the implementation of fraud prevention measures in the Medicaid Program in FY 12. The FY 12 Medicaid budget was reduced by approximately $98 M from the FY 11 base budget as a result of gradually delaying checkwrites (Medicaid claims payments) resulting in only 50 weekly checkwrites (instead of 52). This delay in FY 12 resulted in a stricter claims review process on some claims as these claims will be paid up to 21 days after the claim is submitted (versus 7 days historically). This adjustment restores funding in FY 13 to allow 52 checkwrites.	$28,136,068	$98,309,112	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides funding ($331,829 SGF and $827,600 Federal) to increase rates for Durable Medical Equipment (DME). DME is a state plan service that provides equipment and supplies (such as wheelchairs and leg braces) to eligible Medicaid recipients. Information provided by the DHH indicates this increase is associated with inflation.	$331,829	$1,159,429	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	HAC amendment increases federal certified public expenditure revenues in the Uncompensated Care Costs Program. CPE's are generated from the Office of Behavioral Health facilities.	$0	$5,499,487	0
09 -307	Health & Hospitals	Office of Secretary	Provides statutorily dedicated funding from the Medical Assistance Program Fraud Detection Fund for case management software for pre-pay and post-pay analytics and for staffing; and funding for 3 non T.O. FTE positions.	$0	$2,485,000	0
09 -307	Health & Hospitals	Office of Secretary	Provides funding for the staff of the Acadiana Human Service District. The district has completed their Phase 1 assessment and has entered Phase 1 readiness assessment, and will complete Phase 2 assessment before 6/30/2012.	$297,000	$297,000	0
09 -307	Health & Hospitals	Office of Secretary	Provides funding for start-up costs for 4 new human service districts. Region 5 (Lake Charles) and Region 6 (Alexandria) need a full year funding for an Executive Director, Fiscal Director and HR Director positions. Region 7 (Shreveport) and Region 8 (Monroe) need 6 months funding for the same positions. Region 5 (Lake Charles) Executive Director ($100,000), Fiscal Director ($60,000), HR Director ($60,000) Region 6 (Alexandria) Executive Director ($100,000), Fiscal Director ($60,000), HR Director ($60,000) Region 7 (Shreveport) Executive Director ($50,000), Fiscal Director ($30,000), HR Director ($30,000) Region 8 (Monroe) Executive Director ($50,000), Fiscal Director ($30,000), HR Director ($30,000) **Note:** Adjustment also includes related benefits associated with salaries of approximately 35% ($231,000).	$891,000	$891,000	0
09 -307	Health & Hospitals	Office of Secretary	Provides funding for the LA Health Information Exchange (HIE) and Health Information Technology (HIT) initiatives. This SGF will be used to match Federal funds through the American Recovery & Reinvestment Act of 2009, and used to further develop the state's Health Information Exchange under the direction of the LA Healthcare Quality Forum and DHH (through a cooperative endeavor agreement (CEA).	$690,287	$690,287	0
09 -307	Health & Hospitals	Office of Secretary	HAC amendment provides funding for a judgment in DHH. Information provided by the DHH indicates this judgment is based on the 3rd Circuit Court of Appeal's finding related to DHH personnel overtime pay. The LFO is awaiting further information on the court decision.	$797,436	$797,436	0
09 -320	Health & Hospitals	Aging & Adult Services	HAC amendment increases $706,698 of SGF in the Senior Center Program. The amount received by each parish council on aging shall be equal to the funds received by each parish council on aging for their senior centers in FY 12. Senior centers act as a focal point for older citizens of LA to receive many aging services such as congregate meals, home delivered meals, nutrition education, medication management, group respite, recreation, transportation, wellness, and public education. There are 27 senior centers throughout the state.	$706,698	$706,698	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -326	Health & Hospitals	Public Health	HAC amendment increases federal funding from the U.S. Department of Health & Human Services and the Health Resources & Services Administration. These funds will be used for STD/HIV prevention in hard-to-reach populations ($1,674,809), provide Nurse Family Partnership services to 1,512 families ($3,054,319), and provide family planning/teen pregnancy prevention ($1,102,494) and primary care clinical screening services ($636,203) to certain individuals. The Nurse Family Partnership is an early childhood intervention program designed to improve the health and social functioning of low-income first-time mothers and their babies through home visits by specially trained public health nurses.	$0	$6,467,825	0
09 -330	Health & Hospitals	Behavioral Health	The source of increased SGR is projected payments from the Statewide Management Organization (SMO) as a result of services provided to Medicaid patients under the LA Behavioral Health Partnership (LBHP). Projected collections are based on figures provided by Mercer, which is a consulting firm hired by the Department of Health & Hospitals to analyze the state's transition to a coordinated system of behavioral health care and any savings that could result.	$0	$8,231,323	0
09 -330	Health & Hospitals	Behavioral Health	Annualizes 6 months of funding for the Coordinated System of Care (CSoC) from FY 12 due to the delay of the implementation date from 1/1/2012 until 3/1/2012. Below is a breakdown of the expenditures associated with the annualized funding. **$110,500 -** Wage and related benefits of one T.O. family position assigned to CSoC team. **$264,870 -** Wraparound agency (WAA) funding for Executive Directors and Clinical Directors in 5 regions. **$250,000 -** Innovations Institute training of 5 regions in wraparound and family support. **$186,870 -** Family Support Organization (FSO) funding for Executive Directors and Certified Peer Support Supervisors in 5 regions. **$1,452,280 -** WAA and FSO start-up staffing for 2 months prior to service delivery beginning on 1/1/2012. **$71,250 -** Contract support for experts in fiscal, rate setting, and family & youth development training. **$10,000 -** CSoC/DHH staff travel across 10 regions for technical assistance and other support as needed. **$27,000** - Learning Community teams will meet each quarter to review program. **$4,904 -** Regional meetings for DCFS, OJJ, DOE, and OBH. **$57,114 -** State Governance Board and State Coordinating Council travel expenses and stipends. **$50,000 -** Georgetown University contract for cultural and linguistic training.	$2,484,788	$2,484,788	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	HAC amendment increases $250,000 of SGF in the Community-Based Program to LA Assistive Technology Access Network (LATAN) for assistive devices, technology, and aids. Assistive devices, technology and aids enable individuals with disabilities and older persons achieve independence in employment, school, and community living as well as perform the daily activities of life such as getting out of bed, going to work or school, reading or communicating. For example, people who are blind may use software that reads text on the screen in a computer-generated voice, people with low vision may use software that enlarges screen content, people who are deaf may use a TTY (text telephone), or people with speech impairments may use a device that speaks out loud as they enter text via a keyboard.	$250,000	$250,000	0
			Major Enhancements for Health & Hospitals	**$289,222,147**	**$1,154,908,644**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
10 -360	Children & Family Services	Children & Family Services	Increase of $2,616,270 in Title 19 Medicaid IAT funds for the Administration & Executive Support Program from the Department of Health & Hospitals (DHH), Medical Vendor Administration (MVA). The funding is for DHH's 16.78% share of the development cost of the Modernization Project. The goal of the project is to transform the service delivery of the Department of Children & Family Services (DCFS) to allow clients multiple ways to apply for services and access services. As a result, clients will no longer have to visit physical DCFS office locations or travel to multiple locations to do business with DCFS. In FY 12, the Modernization Project is funded at $30.9 M.	$0	$2,616,270	0
10 -360	Children & Family Services	Children & Family Services	Increase of $3.2 M in SGF for the Administration & Executive Support Program to correct over billing of Title IV-E for administrative costs as a result of an error in the cost allocation process used by the Department of Children & Family Services (DCFS). Title IV-E is a subpart of Title IV of the federal Social Security Act provides reimbursement to states for the costs of children placed in foster homes or other types of out-of-home care. Under Title IV-E guidelines, administrative costs are reimbursed at 50%. The DCFS billed $6.2 M of administrative costs at the training reimbursement rate of 75%. Therefore, DCFS over billed Title IV-E by 25%. Incorrect Billing - $6.2 M @ 75% = $4.7 M Correct Billing - $6.2 M @ 25% = $1.5 M Difference = $3.2 M Over Billing Amount	$3,200,000	$3,200,000	0
			Major Enhancements for Children & Family Services	**$3,200,000**	**$5,816,270**	**0**
11 -432	Natural Resources	Conservation	Increases IAT from the Office of the Secretary to fund a statewide ground water monitoring/management program. IAT revenue derives from federal petroleum violations funds that originate from fines assessed on energy companies.	$0	$2,615,000	0
11 -434	Natural Resources	Mineral Resources	Increases Statutory Dedication from the Mineral & Energy Operations Fund for agency's portion of administrative expenses (accounting, human resources, etc.) funded in the Office of the Secretary.	$0	$84,075	0
11 -435	Natural Resources	Coastal Restoration & Management	Federal grant from the National Oceanic & Atmospheric Administration (NOAA). Grant funds 2 special merit projects: (1) implementation of the In-Lieu Fee Program to help facilitate projects in the coastal area and (2) revisions to the needs, alternative, and justification process to simplify the permitting process for coastal uses. The In-Lieu Fee Program is a mechanism where a permittee provides funds to an in-lieu-fee sponsor to offsetting impacts to vegetative wetlands.	$0	$200,000	0
11 -435	Natural Resources	Coastal Restoration & Management	Increases Statutory Dedication from the Oil Spill Contingency Fund for travel, supplies, and acquisitions for oil spill reaction and recovery personnel to adequately conduct its statutory functions of managing, protecting and preserving the state's wetlands through conservation and regulation.	$0	$22,239	0
			Major Enhancements for Natural Resources	**$0**	**$2,921,314**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
12 -440	Revenue	Office of Revenue	This SGR increase is to upgrade the GenTax system with the latest Commercial Off-the-Shelf (COTS) software as part of the planned approach to system maintenance, which will improve functionality and strengthen the site specific improvements to the system. The GenTax system is the integrated tax processing package for adminstering taxpayer returns. It is used extensively throughout the department and will allow the department to most effectively fulfill its mission of tax collections when it is maintained and upgraded regularly.	$0	$1,800,000	0
12 -440	Revenue	Office of Revenue	The increase in SGR appropriation is for a contract with Fast Enterprises, Inc., to develop an application within its web-based Taxpayer Access Point application (LATAP) for income taxpayers to access and update account information in the GenTax system and allow paperless billing. The application will allow taxpayers to view information in a manner similar to other business entities with the ability to view and maintain data within the system. Ultimately, this should automate certain services that are now implemented through customer service calls and allow for more email communication which should reduce postage expenses.	$0	$387,000	0
12 -440	Revenue	Office of Revenue	This SGR increase is for an upgrade to the VistaCapture system for compatibility with GenTax. This upgrade will place both systems on the same server platform. The VistaCapture system is the front end application to the GenTax program that allows for data capture through scanning apparatus, saving the need for manual input. In order to maintain both systems in a manner consistent with seamless operation, this upgrade is necessary. The approved IT-10 designates $1.1 M in FY 13 for this upgrade and this adjustment along with the current appropriation of $732,454 will allow the appropriation to reach that target.	$0	$360,212	0
12 -440	Revenue	Office of Revenue	This increase in SGR is for outsourcing of printing and mail services through IAT to the Division of Administration - State Printing and State Mail. This appropriation is one half of a 2-year funding effort (total of $868,330) which will take place in FY 13 and FY 14. Once the outsourcing is fully implemented, annual savings of $161,305 are anticipated beginning in FY 15.	$0	$434,165	0
12 -440	Revenue	Office of Revenue	This increase in SGR appropriation is to accommodate the collections of use tax that must be distributed to parishes. It is being adjusted based on current collections and will allow the timely processing of this pass-through funding. According to statute, the use tax is to be reported on income tax returns, interstate mail order returns and consumer use tax returns. The state must return 50% of the collections to the parishes based on their percentage of state population according to the latest Census figures. FY 11 collections totalled $1,014,336, half of which or $507,168 was paid to the parishes. This adjustment will increase the appropriation to the amount necessary to reach the FY 12 threshold of $653,107 and allow timely distribution to the parishes. By this method, the actual use tax collections are deposited into the SGF, but the payments to the parishes are paid through SGR.	$0	$145,939	0
			Major Enhancements for Revenue	**$0**	**$3,127,316**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
13 -855	Environmental Quality	Management & Finance	Increases Statutory Dedications funding from the Environmental Trust Fund for implementation of the Enterprise Resource Planning (LAGov) system. The Department of Environment Quality will be the next agency to enter the LAGov system and will begin transition into the system in July 2012.	$0	$500,000	0
			Major Enhancements for Environmental Quality	**$0**	**$500,000**	**0**
16 -513	Wildlife & Fisheries	Office of Wildlife	Adjustment to reclassify 2 Non-T.O. FTE job appointments to T.O. authorized positions assigned to the White Lake Conservation Management Area. This request will move funding ($63,244) from the other compensation category and transfer it into salary expenditure category and increase the authorized T.O. by 2. With this change for FY 13, the White Lake Conservation Management Area will have 7 positions.	$0	$0	2
16 -513	Wildlife & Fisheries	Office of Wildlife	Funding provided from the Conservation of the Black Bear Account to implement endangered species protocols and projects to aid the endangered Black Bear. The department has been working with the University of Tennessee on acquiring a viable Black Bear population to work towards delisting of the Black Bear from the endangered species list. Before recovery and subsequent delisting of the LA Black Bear, population viability assessments of all 3 extant populations must be completed. It must be determined whether the habitat fragments that currently comprise bear range in LA and the bear populations those fragments contain, are sufficient to support a viable, self-sustaining metapopulation into the foreseeable future. The current projected fund balance as of 6/30/2012 is $216,311.	$0	$212,374	0
16 -513	Wildlife & Fisheries	Office of Wildlife	Funding from the LA Duck Stamp (Statutory Dedications) is provided for a cooperative endeavor agreement with Ducks Unlimited (DU) to replace a pump structure at the Ouachita Wildlife Management Area to produce 1,800 acres of waterfowl hunting opportunity. The pump burned several years ago and the department has not been able to provide the 1,800 acres of waterfowl hunting opportunities without this structure.	$0	$400,000	0
16 -513	Wildlife & Fisheries	Office of Wildlife	HAC amendment increases funding from the LA Wildlife & Fisheries Foundation for expenditures related to the testing and monitoring of the reintroduction of the Whooping Crane in Southwest LA. The total funding is $150,000 over 3 years. This is the first year of funding.	$0	$50,000	0
16 -514	Wildlife & Fisheries	Office of Fisheries	Adjustment to increase Artificial Reef Development Fund authority for acquiring, operating, and maintaining a fisheries research marine vessel. Total funding in HB 1 is $8,507, 611.	$0	$1,000,000	0
16 -514	Wildlife & Fisheries	Office of Fisheries	HAC amendment increases funding from the Artificial Reef Development Fund to provide for programs focused on wild seafood certification ($1.74 M), oiled wildlife response ($225,000), seafood sustainability and recreational outreach ($2.775 M), and development of inshore artificial reefs ($1 M). Funding for wild seafood certification assists seafood processors, docks and fisherman with refrigeration enhancement at docks and on vessels. Oiled wildlife response funds will be used to develop a response plan for oil spills. Seafood sustainability and recreational outreach funds will assist with the development of a seafood sustainability program and a recreational outreach/education program.	$0	$5,740,000	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
16 -514	Wildlife & Fisheries	Office of Fisheries	HAC amendment increases IAT funding from the Office of Coastal Protection & Restoration (OCPR) for oyster remote setting projects. These projects are designed to assist with oyster reestablishment following the Deepwater Horizon Oil Spill. The original source of funding is from the 2009 Surplus funds that were appropriated to OCPR via Act 20 of 2009.	$0	$1,700,000	0
			Major Enhancements for Wildlife & Fisheries	**$0**	**$9,102,374**	**2**
17 -561	Civil Service	Municipal Fire & Police C.S.	Increases Statutory Dedication from the Municipal Fire & Police Civil Service Operating Fund for a new human resources position to enable the agency to meet its strategic and operational objective throughout all functions of the agency. The expenditure breakdown is as follows: $31,393 - salary and $19,025 - related benefits.	$0	$50,418	1
17 -562	Civil Service	Ethics Administration	SGF providing for professional services contract to defend the Ethics Board in litigation. These funds will allow the agency to adequately defend itself in connection with a host of litigation concerning the board's authority and the procedures of the Ethics Board. The agency contracts for legal services with the law firm of Taylor, Porter, Brooks & Phillips. The firm represents the interests of the Board of Ethics in connection with litigation initiated in district court and now pending in the appellate court. The FY 12 budget includes $50,000 for this contract and $100,000 is included in HB 1 for FY 13.	$50,000	$50,000	0
17 -564	Civil Service	Division of Administrative Law	Increased IAT revenue for moving expenses ($15,000) and anticipated increased in rental cost ($85,000) for new office space in Baton Rouge. Staff size increased as a result of the governor's ethics initiatives and the current office is too small. Increased IAT funding ($19,000) for new office space in Monroe. Facility Planning is moving all state agencies from existing state office building in Monroe to another state office building because of maintenance problems at the existing building. Existing budget includes $3,320 for rent for the Monroe office.	$0	$119,000	0
			Major Enhancements for Civil Service	**$50,000**	**$219,418**	**1**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A-600	Higher Education	LSU System	Increases IAT budget authority for the LSU Health Sciences Center - Shreveport for funds to be received from the Department of Health & Hospitals. This increase in funds is the summation of adjustments related to the following items: loss of Federal funds due to the Disproportionate Share (DSH) audit rule (-$6,038,727), decreased Medicaid claims (-$21,438,666), additional Federal Uncompensated Care (UCC) payments ($37,734,036), and increases in payments attributable to newly created Statewide Management Organizations (SMOs) ($2,165,436).	$0	$12,422,079	0
19A-600	Higher Education	LSU System	Increase IAT budget authority for H. P. Long Medical Center for funds to be received from the Department of Health & Hospitals. This increase in funds is the summation of adjustments related to the following items: loss of Federal funds due to the Disproportionate Share (DSH) audit rule (-$991,471), decreased Medicaid claims (-$3,056,778), additional Federal Uncompensated Care (UCC) payments ($4,946,870), and increases in payments attributable to newly created Statewide Management Organizations (SMOs) ($565,804).	$0	$1,464,425	0
19A-600	Higher Education	LSU System	Funding provided to the LSU School of Public Health for the Breast & Cervical Cancer Screening Program at the LSU Health Sciences Center in New Orleans.	$35,000	$35,000	0
19A-661	Higher Education	Student Financial Assistance	Adjustment for TOPS awards as projected by the Office of Student Financial Assistance. This amount is based on an increase from the current TOPS budget of $154.4 M to TOPS projected costs of $168 M in FY 13. This increase is primarily attributable to tuition increases from the GradAct.	$13,605,865	$13,605,865	0
19A-661	Higher Education	Student Financial Assistance	Funding from the TOPS Fund for TOPS awards due to the estimate exceeding amounts provided in the FY13 Executive Budget.	$0	$4,212,430	0
			Major Enhancements for Higher Education	**$13,640,865**	**$31,739,799**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19B-666	Special Schools & Comm.	State Board of Elementary & Secondary Education	Increase in 8(g) to align other charges and IAT based on the budget set by BESE based on the Treasurer's Office estimates. The 8(g) funds are also known as the LA Quality Education Support Fund. The monies in the funds are from interest earnings from offshore development.	$0	$2,562,647	0
19B-673	Special Schools & Comm.	New Orleans Center for Creative Arts-Riverfront	Increase of $280,255 in IAT funds and 5 positions for the implementation of the second year full day academic program. The IAT funds are the Minimum Foundation Program (MFP). By Act 525 of 2010, the New Orleans Center for Creative Arts (NOCCA) will become part of the MFP formula starting in FY 12. NOCCA uses the MFP funds to begin a new full day program for 60 incoming freshman each year as the program is fully integrated through all class years (freshmen-seniors) by FY 15. In FY 13, another 60 incoming freshmen will be chosen for the new day program. Therefore, in FY 13, NOCCA will have 120 students in their day program. NOCCA does not intend to reduce the number of students selected to the half-day arts program.	$0	$280,255	5
			Major Enhancements for Special Schools & Comm.	**$0**	**$2,842,902**	**5**
19 -678	Elem. & Secondary Educ.	State Activities	Annualization of Race to the Top federal grant received from the US DOE to build upon and compliment existing standards and assessments, collection and use of data, school turnaound strategies, and effective support of educators. The total grant award is approximately $17 M to be distributed over a 4-year period.	$0	$716,000	0
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Annualization of the Race to the Top grant received from the US DOE to build upon and compliment existing standards and assessments, collection and use of data, school turnaround strategies, and effective support for educators. The total grant award is approximately $17 M to be distributed over a 4-year period.	$0	$2,187,500	0
19 -695	Elem. & Secondary Educ.	Minimum Foundation Program (MFP)	Increase in the MFP to account for the increases in student enrollment from 2/1/2011 to 2/1/2012 (9,642 students), and for the inclusion of students from the LA School for the Deaf & Visually Impaired, Special School District and the Student Scholarships for Educational Excellence Program.	$19,482,743	$34,945,724	0
			Major Enhancements for Elem. & Secondary Educ.	**$19,482,743**	**$37,849,224**	**0**

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19E-610	LSU Health Care Services Division	LSU HSC-HCSD	Adjustments over the current base budget to properly align budget authority with anticipated Federal funds from Medicare and SGR from outpatient pharmacy collections. According to HCSD and the Office of Planning and Budget (OPB), $13.2 M in SGR and $4.9 M in Federal funds ($18.1 M total) are being increased based on projected revenues. However, of the total $29.9 M adjustment, $11.8 M ($8.2 M SGR & $3.6 M Federal) is excess budget authority. The $11.8 M was based on an early estimation of anticipated revenues submitted in HCSD's budget request. HCSD does not anticipate being able to collect the additional $11.8 M. According to OPB, it will submit an amendment to eliminate the excess budget authority during the budgetary process.	$0	$29,951,955	0

	SGR	Federal	Total MOF
EKL	$4,500,000	$0	$4,500,000
UMC	$2,500,000	$2,000,000	$4,500,000
WOM	$4,500,000	$800,000	$5,300,000
BMC	$700,000	$0	$700,000
LJC	$1,000,000	$2,100,000	$3,100,000
Authority Needed	**$13,200,000**	**$4,900,000**	**$18,100,000**
Excess Authority	$8,254,379	$3,597,576	$11,851,955
Total FY 13 Authority	**$21,454,379**	**$8,497,576**	**$29,951,955**

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
			Major Enhancements for LSU Health Care Services Division	**$0**	**$29,951,955**	**0**
20 -451	Other Requirements	Local Housing of State Adult Offenders	Increases funding for housing of adult offenders in local jail facilities based on actual and projected occupancy rates. Occupancy rates did not decrease as a result of Acts 649 and 792 of 2010. Act 649 provides that offenders incarcerated after 1/1/1992, can receive good time at the current rate of 35 days for 30 days served, retroactively. Act 792 provides credit for good behavior while on parole. In FY 12 the Department of Corrections anticipated 1,500 offenders would be released as a result of Acts 649 and 792 resulting in a $13.3 M SGF savings. However, less than 400 offenders have been released. The increase of $10.4 M ($24.39 per day x 365 days x 1,167 offenders) is a result of almost 1,200 offenders remaining in local facilities.	$10,386,980	$10,386,980	0
20 -901	Other Requirements	State Sales Tax Dedications	This adjustment increases the appropriation for certain statutory dedications for 2 funds: Shreveport-Bossier Visitor Enterprise Fund ($200,000) and the St. Mary Parish Visitor Enterprise Fund ($470,000) to the city of Franklin for City Hall repair and support for archival space for Governors Foster, Sanders, Johnson and Allen and Lt. Governor Aycock ($250,000), and to St. Mary Tourist Commission for downtown development in Morgan City, Franklin and Patterson ($105,000), a tourist center in Morgan City ($50,000), Cultural and Tourist Office assistance for the Chitimacha Tribe of Louisiana ($15,000), and the Lake Fausse Point Advisory Committee ($50,000).	$0	$670,000	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 -923	Other Requirements	Corrections Debt Service	Increases funding for the implementation of an Energy Service Company contract. The Department of Corrections has entered into a 15-year contract with Johnson Controls that will guarantee reduced utility costs at facilities and headquarters through the design and implementation of energy savings projects. The savings realized at the facilities will be used for bond payments. The company will install more efficient lights, new HVAC controls, and new boilers and chillers at the facilities at a cost of $617,847. Through installation of this equipment the facilities will realize an electricity and natural gas savings of $612,474 and a water savings of $5,373 in FY 13 for a total savings of $617,847 department wide. After installation is complete, the savings is guaranteed to be $2.3 M in year 1 and increases to a utility savings of $3 M in year 15.	$617,847	$617,847	0
20 -931	Other Requirements	LED Debt Service / State Commitments	Increases the SGF appropriation for numerous state commitments of direct payments and debt service. In FY 12, the agency was funded with $12,199,058 in SGF to pay state committments and debt service on numerous economic development projects. In FY 13, the amount of SGF has increased by $10,246,242 to $22,445,300 to continue payments on existing and new projects. In addition, some of these projects were previously funded with LA Economic Development Fund ($2,104,006), Mega-Project Development Fund ($5.3 M) and the Rapid Response Fund ($150,000) but are now funded with SGF. Projects now funded with SGF that have received funding through the Mega-Project Development Fund in the past include Nucor ($4,012,275) and SNF Holdings ($1.28 M). Several projects announced in the press but not finalized are not included in the Executive Budget, including Methanex, GE and Union Pacific. It is not clear whether the incentive package for these projects contains direct payments, which are what would appear in this agency's budget. However, the effect on incentive programs such as Quality Jobs and Industrial Tax Exemption will only appear in the budget by inclusion in the revenue estimate. SGF funding in the LED operating budget increased by $1,123,958 to $12,411,430 in FY 13. A detailed list of projects funded with SGF include: Northrop Grumman near New Orleans ($25,000), Union Tank Car in Alexandria ($3,269,625), CG Railway, Inc.,in New Orleans ($734,788), Nucor in St. James Parish ($4,012,725), St. Gobain Container in Simmesport ($1.2 M), EA Sports in Baton Rouge ($1.465 M), SNF Holdings in Iberville Parish ($1.28 M), Global Star in Covington ($352,782), Blade Dynamics at Michoud in New Orleans ($2,678,380), Lighthouse for the Blind cup facility in Baton Rouge ($150,000), KPAQ at the paper mill in St. Francisville ($2.25 M), Gameloft in New Orleans ($200,000), Ronpak in Shreveport ($300,000), and Sundrop Biofuels in Central LA ($4.5 M). The Schumaker incentive payment of $4 M in FY 13 is funded through the Mega-Project Development Fund.	$10,246,242	$10,246,242	0
20 -939	Other Requirements	Prepaid Wireless 911 Srvcs	Increases the 911 wireless SGR appropriation by $2 M to accommodate current collections and allow those funds to be passed through to district 911 centers. The funds originate as 2% of sales of prepaid wireless phone services collected by the seller and remitted to the Department of Revenue (LDR) after retaining 4% of collections as vendor compensation. After retaining 2% of collections for administrative expenses, LDR then distributes the collections to the communications districts based on their percentage of state population. This appropriation increases the Prepaid 911 Wireless appropriation from $4 M to $6 M in total.	$0	$2,000,000	0
20 -945	Other Requirements	State Aid to Local Govt. Entities	Increases the following statutory dedications in accordance with Revenue Estimating Conference's 4/24/2012 forecast: Beautification/Improvement New Orleans City Park Fund ($31,350); Calcasieu Parish Excellence Fund ($13,500); St. Landry Parish Excellence Fund ($12,500); and Bossier Parish Truancy Program Fund ($9,500).	$0	$66,850	0

Major Enhancements in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 -945	Other Requirements	Misc. State Aid - Local Entities	HAC amendment provides Statutory Dedications funding from the Casino Support Services Fund for Orleans Parish for the Casino Support Services contract, contingent on passage of HB 183 of 2012. An additional appropriation of $3.6 M from the Support Education in LA First Fund is also contingent on passage of HB 183, resulting in total funding of $7.2 M in FY 13. **Note:** FY 12 budget includes $3.6 from the Support Education in LA First Fund for the Casino Support Services contract.	$0	$3,600,000	0
20 -945	Other Requirements	State Aid to Local Govt. Entities	HAC amendment increases Statutory Dedications funding from the St. Landry Parish Excellence Fund for the St. Landry Parish School Board. FY 12 funding is $743,750 and $2,580,671 for FY 13.	$0	$1,836,921	0
20 -966	Other Requirements	Supplemental Pay to Law Enforcement	FIREFIGHTERS SUPPLEMENTAL PAY - Adjustment needed to fund the Supplemental Payment to Firefighters due to a projected increase in the number of eligible firefighters at $500 per month for 12 months. This adjustment provides funding for approximately 161 new eligible Firefighters in FY 13.	$965,616	$965,616	0
20 -966	Other Requirements	Supplemental Pay to Law Enforcement	DEPUTY SHERIFFS SUPPLEMENTAL PAY - Adjustment needed to fund the Supplemental Payment to Deputy Sheriffs due to a projected increase in the number of eligible deputies at $500 per month for 12 months. This adjustment provides funding for approximately 90 new eligible Deputy Sheriffs in FY 13.	$540,000	$540,000	0
20 -XXX	Other Requirements	Funds	The increased SGF deposited by fund are as follows: LA Public Defender Fund - $4,858 increase for a total deposit of $31,676,426; LA Interoperability Communications Fund - $162,931 increase for a total deposit of $9,290,037; and Indigent Parent Representation Fund - $73,891 increase for a total deposit of $311,099.	$241,680	$241,680	0
			Major Enhancements for Other Requirements	**$22,998,365**	**$31,172,136**	**0**
			Major Enhancements of FY 2013	**$374,491,342**	**$1,701,294,699**	**25**

Reductions

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
00 -	Statewide		Non-recurs one-time funding ($84,563 SGF; $9,640,652 IAT; $13,285,721 SGR; $52,328,939 Statutory Dedications; and $13,353,834 Federal) associated with the 27th pay period. FY 12 had an additional pay period beyond the traditional 26 pay periods in a fiscal year. This occurs every 10 to 12 years. This is projected to occur again in FY 23 and FY 34.	-$84,563	-$88,693,709	0
00 -	Preamble		HAC amendment authorizes and directs the commissioner of administration to reduce SGF appropriations in the total amount of $43 M SGF. At this time, the Legislative Fiscal Office does not know the specific departmental expenditure impact of the proposed SGF expenditure reduction.	-$43,000,000	-$43,000,000	0
00 -	Preamble		HAC amendment authorizes and directs the commissioner of administration to reduce appropriations for the Office of Group Benefits (OGB) for annual premium rate decreases. According to the DOA, the anticipated premium decrease will be 7%. **Note:** As of March 2012, the OGB fund balance is approximately $498.5 M.	-$10,200,000	-$10,200,000	0
			Major Reductions for Preamble	**-$53,284,563**	**-$141,893,709**	**0**
01 -102	Executive	Inspector General	HAC amendment eliminates all funding for the Office of Inspector General and all authorized positions.	-$1,701,895	-$1,707,225	-16
01 -103	Executive	Mental Health Advocacy	Annualization of the FY 12 mid-year deficit reduction plan that reduced the Mental Health Advocacy Services budget by $123,242 SGF ($91,333 - Executive Order and $31,909 - JLCB) and $20,187 Statutory Dedications from the Indigent Parent Representation Program Fund ($17,995) and Overcollections Fund ($2,192). The specific expenditure reductions of the plan include: salaries ($4,891); related benefits ($3,835); travel ($33,429); operating services ($40,000); supplies ($25,000); and professional services for expert witness & legal service contracts ($36,274). This budget adjustment annualizes $113,500 of the $123,242 reduction. The specific expenditure impact of this adjustment is as follows: other compensation ($5,000); travel ($40,000); operating services ($8,500); supplies ($20,000); professional services ($36,500); and acquisitions ($3,500).	-$85,000	-$113,500	0
01 -107	Executive	Division of Administration	Reduces 13 positions and associated funding within the Disaster Recovery Unit and transfers these positions off-budget to the newly created LA Housing Corporation. Act 408 of the 2011 Regular Session created the LA Housing Corporation. The corporation is comprised of the former LA Housing Finance Agency, LA Land Trust, housing programs within the DOA - Disaster Recovery Unit, Rapid Re-Housing Program and Homelessness Prevention Program from the Department of Children & Family Services (DCFS).	$0	-$1,211,080	-13

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -107	Executive	Division of Administration	The decreased IAT funding is excess budget authority associated with the implementation of a hosted Statewide Detection Solution software, which is a pilot project within the LA Workforce Commission's Unemployment Insurance and Workers Compensation programs. The original source of funds is Federal funds from the LA Workforce Commission. Reducing this funding by $643,791 will leave approximately $1 M in FY 13. The Division of Administration (DOA) anticipates utilizing the $1 M on software licenses costs. The LA Workforce Commission is the pilot agency and at this point no additional agencies will be included in FY 13.	$0	-$643,791	0
01 -107	Executive	Division of Administration	Non-recurring Federal funds from the American Recovery & Reinvestment Act (ARRA) in the Community Development Block Grant (CDBG) Program. LA received approximately $17.4 M of which $9.9 M was allocated to the larger CDBG entitlement cities and $7.5 M was allocated to the state for rural/smaller cities.	$0	-$746,612	0
01 -107	Executive	Division of Administration	Reduces excess federal budget authority in the Community Development Block Grant (CDBG) Program. Based upon the past 3 fiscal years federal actual expenditures, the CDBG Program within the Division of Administration (DOA) has averaged approximately $1.625 B expenditures (FY 11 - $1.355 B, FY 10 - $1.642 B, and FY 09 - $1.877 B). Within the current version of HB 1, there is approximately $1.548 B in federal authority, which is approximately $76.7 M less than the 3-year average federal expenditure.	$0	-$150,000,000	0
01 -109	Executive	Coastal Protection & Restoration	Decreases statutorily dedicated funding ($56,044) from the Coastal Protection & Restoration Fund. These funds were used for expenditures associated with Department of Wildlife & Fisheries Nutria Control Program and Caernarvon & Davis Pond Freshwater Diversion Program ($12,496); and for expenditures associated with administrative support, coastal wetlands protection and maintenance support, and Atchafalaya Basin projects ($43,548).	$0	-$56,044	0
01 -109	Executive	Coastal Protection & Restoration	Eliminates IAT revenue from Public Safety's Oil Spill Coordinator's Office providing for expenditures associated with the Deepwater Horizon Event. No funding for the Deepwater Horizon Event is included in HB 1.	$0	-$5,051,368	0
01 -109	Executive	Coastal Protection & Restoration	Decreases statutorily dedicated funding from the Coastal Protection & Restoration Fund that provided for expenditures associated with Governor's Office of Coastal Activities provision of state policy coordination and production of the annual coastal protection and restoration plan.	$0	-$98,052	0
01 -111	Executive	Homeland Security & Emergency Prep	Reallocation of 33 filled positions to federally funded Non-T.O. FTE positions (Other Charges Positions) within Disaster Recovery Section of the agency. These federally funded positions are not actually being eliminated and are still within the agency. The agency will utilize existing federal funding authority to fund these SGF funded positions. For FY 13, the agency will have 82 positions and 317 non-T.O. FTEs for a total of 399 positions.	-$435,857	-$435,857	-33
01 -111	Executive	Homeland Security & Emergency Prep	Eliminates 3 vacant positions and the associated SGF in the Planning Section, Homeland Security Grants Section and Finance Section. Included within HB 1, GOHSEP will have 82 positions and 317 non-T.O. FTEs for a total of 399 positions.	-$26,492	-$26,492	-3

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -111	Executive	Homeland Security & Emergency Prep	Annualization of FY 12 mid-year reduction plan, which was based upon 6 months of expenditures. The FY 12 Deficit Reduction Plan reduced $203,500 SGF, which consists of reductions to salaries and related benefits ($46,688), operating services ($124,795), supplies ($21,216) and travel ($10,801). The position reductions will now be completely funded with 100% Federal funds from the Disaster Recovery Public Assistance and Hazard Mitigation grant programs. This annualized budget adjustment reduces travel and supplies, eliminates the emergency alert system, eliminates audio/web conference system, and eliminates IT Services contingency contracts. Prior to the elimination of the IT Services contingency contracts, GOHSEP had 2 IT contingency support contracts in place with Tigerbytes and Sparkhound to provide IT network support and sharepoint support (if needed). According to GOHSEP, due to the back office consolidation with DPS, all IT support issues of this agency will be addressed by DPS.	-$355,171	-$355,171	-2
01 -111	Executive	Homeland Security & Emergency Prep	HAC amendment reduces funding and positions associated with savings from the consolidation of the Office of Management & Finance (OMF) functions from GOHSEP and the Office of Juvenile Justice (OJJ) with DPS. The total number of positions eliminated in GOHSEP is 28 T.O., 44 non-T.O. and 3 WAE (When Actually Employed) positions. At this time the Legislative Fiscal Office is attempting to determine whether DPS can absorb this consolidation with existing resources as the amendments only reduce funding and positions within OJJ and GOHSEP and do not increase resources within DPS.	-$914,105	-$4,655,789	-28
01 -112	Executive	Military Department	Reduction of $500,000 in SGF from the State Military Department (SMD) reserve emergency response funding. This will leave the agency with approximately $90,000 to respond to emergency disasters in FY 13. The SMD was budgeted $588,502 in FY 11 and $593,502 in FY 12. These funds are used to cover initial emergency response payroll and supplies costs as well as the annual operating costs related to the Mobile Operations Command Center. The agency has been able to address smaller emergency missions with these funds without requesting additional budget from the state through State Emergency Response Funds (SERF) or SGF. Thus far in FY 12, the SMD has expended approximately $104,000 and encumbered an additional $10,500 which leaves a balance of approximately $480,000. This reduction may impact the ability of this agency to fund smaller emergency missions without being reimbursed through other funding sources.	-$500,000	-$500,000	0
01 -124	Executive	LA Stadium & Exposition District	Budget reduction reduces the amount of IAT budget authority within the LA Stadium & Exposition District (LSED) from $11,974,692 to $11,321,670. The original source of these funds is reallocated CDBG funds associated with hurricanes Katrina and Rita. According to OCD, there will be an action plan amendment submitted to the U.S. Department of Housing & Urban Development (HUD) for approval to allow OCD to reprogram approximately $11.3 M from 2 hurricane recovery programs to the Local Government Infrastructure Program. The funds to be reallocated include: $2.2 M from the Fisheries Assistance Program and $4.5 M from the Soft Seconds Housing Program with the remaining $4.6 M coming from resources currently allocated to the Local Government Infrastructure Program.	$0	-$653,022	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -129	Executive	LA Commission on Law Enforcement	Non-recurring Edward Byrne Memorial Justice Assistance grant funding associated with the American Recovery & Reinvestment Act (ARRA) of 2009 as these grant funds expired in FY 12. Overall, the commission received ARRA funds from the U.S. Department of Justice: 1.) $21,400,860 - Edward Byrne Memorial Justice Assistance Grant; 2.) $2,132,194 - Violence Against Woman Act; and 3.) $1,025,894 - Victims of Crime Act. Overall, these federal stimulus funds were intended to assist state, local and tribal law enforcement (including support for hiring and job preservation) to combat violence against women, to fight internet crimes against children, to improve the functioning of the criminal justice system, and support youth mentoring. There is $2 M of ARRA funds in HB 1 of which $1.8 M are Edward Byrne Memorial Justice Assistance Grant funds and $0.2 M is Violence Against Women Act grant funds.	$0	-$4,900,000	0
01 -129	Executive	LA Commission on Law Enforcement	Reduces federal funding associated with the Hurricane Criminal Justice Infrastructure Recovery Grant Program. The Hurricane Criminal Justice Infrastructure Recovery Grant Program provides emergency funding to support state and local criminal justice initiatives in communities identified as being in great need and significantly impacted by the 2005 hurricanes. There is no funding remaining in FY 13.	$0	-$324,195	0
01 -129	Executive	LA Commission on Law Enforcement	Reduction in IAT funds from the Governor's Office of Homeland Security & Emergency Preparedness for the Law Enforcement Terrorism Prevention Program. These grant funds expire at the end of FY 12. The Law Enforcement Terrorism Prevention Program (LETPP) seeks to provide law enforcement communities with enhanced capabilities for detecting, deterring, disrupting, and preventing acts of terrorism. LETPP is focusing on providing resources to law enforcement and public safety communities (working with their private partners) to support critical terrorism prevention activities such as establishing/enhancing fusion centers and collaborating with non-law enforcement partners, other government agencies, and the private sector. There are no grant funds remaining in FY 13 for this program.	$0	-$187,261	0
01 -129	Executive	LA Commission on Law Enforcement	Reduces statutorily dedicated budget authority from the Drug Abuse & Education Treatment Fund to realign expenditure authority with actual collections. The FY 13 recommended amount for the fund is $275,000. The past 4 fiscal year actual collections for this fund are: FY 08 - $157,736; FY 09 - $155,907; FY 10 - $158,479; and FY 11 - $170,228.	$0	-$158,117	0
			Major Reductions for Executive	**-$4,018,520**	**-$171,823,576**	**-95**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04a-139	State	Secretary of State	Reduces SGF for election expenses to reflect anticipated expenditure requirements. The FY 13 budget includes $13 M for election expenses for 4 elections scheduled in FY 13. The presidential election and the congressional primary election are scheduled to be held in November 2012; and the congressional general election in December 2012. The municipal primary election is scheduled to be held in April 2013; and the municipal general election in May 2013. The elections to be held in November and December 2012 are statewide elections.	-$4,910,225	-$4,910,225	0
04a-139	State	Secretary of State	Reduces Statutory Dedications from the Help American Vote Administration Fund ($2 M) and the Help America Vote Requirement Fund ($2 M) to reflect anticipated collections of $2 M and $4.5 M, respectively.	$0	-$4,000,000	0
04a-139	State	Secretary of State	Reduces IAT revenue for microfilm services performed by Archives to reflect anticipated collections. Reduction is due to fewer interagency agreements for microfilm services and includes the following adjustments: Ascension Parish Clerk of Court ($100); Dept. of Children & Family Services (-$102,886); DHH Office of Behavioral Health ($16,000); E. K. Long Medical Center (-$80,000); East LA Mental Health ($25,000); LA Board of Cosmetology (-$5,000); LA Board of Nursing ($5,000); LA Board of Practical Nurse Examiners ($500); Teacher's Retirement ($1,000); Group Benefits (-$3,180); and Patients Compensation (-$2,000).	$0	-$145,466	0
04a-139	State	Secretary of State	Reduces IAT revenue for one-time funding from Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) for security upgrades at the Old State Capitol. The original source of the funding is from a federal grant (Urban Area Security Initiative) awarded to GOHSEP. The security upgrades include video surveillance and swipe card access.	$0	-$128,000	0
			Major Reductions for State	**-$4,910,225**	**-$9,183,691**	**0**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b-141	Justice	Attorney General	Reduces IAT budget authority in the amount of $738,051 associated with the Deepwater Horizon Event. The Civil Law Program was reduced by $663,051 and the Administrative Program by $75,000. To date, the department has spent $5.9 M. In FY 10 and FY 11 the department spent $0.6 M and $6.7 M, respectively, on legal expenses associated with the Deepwater Horizon Event. The original source of the IAT is from British Petroleum (BP) and the federal government and transferred from State Police. HAC amendment increased IAT authority in the amount of $14,261,049. The initial reduction in HB 1 reduced the Civil Law Program by $14.925 M.	$0	-$738,051	0
04b-141	Justice	Attorney General	Executive Budget (HB 1) eliminates positions and associated funding ($432,884 SGF and $118,863 Statutory Dedications - Riverboat Gaming Enforcement Fund) as follows:	-$432,884	-$551,747	-9

Program	SGF	Total	T.O.
Administrative	($147,450)	($147,450)	(3)
Civil	($108,426)	($108,426)	(1)
Criminal	($177,008)	($177,008)	(3)
Gaming	$0	($118,863)	(2)
Total	($432,884)	($551,747)	(9)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b-141	Justice	Attorney General	Non-recurring IAT funds in the Criminal Program from GOHSEP for purchase of investigations equipment. The types of equipment purchased with the funds is protected from public knowledge under the Homeland Security Act. The original source of funds is Federal funds from the U.S. Department of Homeland Security.	$0	-$185,000	0
			Major Reductions for Justice	**-$432,884**	**-$1,474,798**	**-9**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04c-146	Lieutenant Governor	Lt. Governor	Elimination of remaining Federal funds for Learn & Serve grants. The funds to administer Learn & Serve America were eliminated from the Corporation for National & Community Service budget. These grants were available to schools and organizations to assist in the planning and implementation of service-learning programs that engage students in community service.	$0	-$615,058	0
04c-146	Lieutenant Governor	Lt. Governor	Reduction in Federal funds for the LA Serve Commission due to federal budget reductions. Approximately $5.7 M remains in HB 1 for this purpose.	$0	-$200,000	0
04c-146	Lieutenant Governor	Lt. Governor	Annualization of FY 12 mid-year reductions, which includes reductions to operating services such as building and equipment rentals, dues and subscriptions, and telephone services.	-$46,371	-$46,371	0
04c-146	Lieutenant Governor	Lt. Governor	Reduction of SGR budget authority due to projected receipts. This reduction is due to a decrease in the LA Serve Commission's contributions and donations from private sources.	$0	-$125,000	0
			Major Reductions for Lieutenant Governor	**-$46,371**	**-$986,429**	**0**
04d-147	Treasury	State Treasury	Eliminates 1 position and associated SGR funding as the State Treasury has realigned its financial staff, which resulted in the elimination of the State Treasurer Fiscal Manager position within the Financial Accountability & Control Program.	$0	-$108,933	-1
			Major Reductions for Treasury	**$0**	**-$108,933**	**-1**
04f-160	Agriculture & Forestry	Agriculture & Forestry	Personnel reductions from the Forestry Program. Positions are vacant and unfunded, and include forestry specialist crew leaders and forestry specialists.	$0	$0	-19
04f-160	Agriculture & Forestry	Agriculture & Forestry	Non-recurring federal grants from the U.S. Department of Agriculture for the purchase of firefighting vehicles and accessories. The grant funds were used to purchase 25, 1/2 ton, regular cab, 4 wheel drive alternative fuel pickup trucks to serve as a firefighting unit and crew transportation. Additionally, these funds were used to replace 3, 1/2 ton cargo vans used as service vehicles (radio technician) to maintain the statewide radio system and the Department's fleet mobile radios.	$0	-$550,000	0
			Major Reductions for Agriculture & Forestry	**$0**	**-$550,000**	**-19**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04g-165	Insurance	Commissioner of Insurance	Reduces $155,295 SGR with no associated positions from the Administrative Program as a reduction of excess salary authority. Eliminates 2 positions and $352,294 SGR in personnel costs from the Market Compliance Program. The Department of Insurance reports that the specific positions to be eliminated have not yet been identified, but anticipates the positions will be vacant.	$0	-$507,589	-2
04g-165	Insurance	Commissioner of Insurance	Non-recur excess SGR funding in Professional Services associated with integrating certain systems into the Entity Management System. This adjustment reduces authority tied to professional information technology services as the project requirements decline significantly between FY 12 and FY 13.	$0	-$341,124	0
04g-165	Insurance	Commissioner of Insurance	Non-recurring Federal funds associated with 3 grants that end on 9/30/2012. $288,425 is non-recurred from a grant made in accordance with Section 1003 of the Affordable Care Act (ACA) to provide monies to review health insurance premiums. $857,744 is non-recurred from a Medicare grant to provide monies for the purpose of educating and assisting seniors to navigate the Medicare system. Both of these first 2 grants will expire during FY 13. $435,681 is an allocation to the LA Department of Insurance through a federal grant made to DHH under the Patient Protection & Affordable Care Act for the research and development of Health Exchanges. DHH chose not to pursue the exchange after the grant was awarded, and thus no funds have been drawn down to the state level.	$0	-$1,581,850	0
			Major Reductions for Insurance	**$0**	**-$2,430,563**	**-2**
05 -251	Economic Development	Office of Secretary	Non-recurring federal grant funds from the Office of Economic Adjustment to perform a study of opportunities related to the Avondale facility (Northrop Grumman) near New Orleans. The study is complete.	$0	-$1,650,000	0
05 -252	Economic Development	Business Development	Non-recurring one-time TANF funding for the Microenterprise Program, which was IAT from the Department of Child & Family Services ($510,000); the State Trade Export Program using Federal funds ($975,000) for promotion of exports by small businesses; and from the Marketing Fund ($99,302) and the Entertainment Promotion & Marketing Fund ($150,000) for one-time use of fund balances for promotional activities. All adjustments were related to one-time expenses or use of a fund balance that is no longer available.	$0	-$1,734,302	0
05 -252	Economic Development	Business Development	This reduction in Statutory Dedications is in the Loan Guarantee Program because additional projects are now eligible for federal funding and will no longer require a state guaranteed loan under these program guidelines.	$0	-$800,000	0
05 -252	Economic Development	Business Development	This Statutory Dedications reduction from the LED Fund eliminates 2 vacant, classified, Business Development Officer positions and the associated funding.	$0	-$125,300	-2

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
05 -252	Economic Development	Business Development	This reduction eliminates funding for marketing initiatives as stated in R.S. 47:318 subject to appropriation (Marketing Education Retail Alliance (MERA) $675,563; District 2 Enhancement Corporation $250,000 and; LA Council for Economic Education (LCEE) $74,437). MERA promotes retail marketing through high school programs linking students with the national DECA marketing organization. District 2 educates and trains students and young adults in the fashion industry. LCEE facilitates economic education activities through coordination with 8 university-level Centers for Economic Education. This funding originates as the first $2 M collected in sales tax remittances which are dedicated to economic development as a companion to a decrease in vendor compensation payments. However, in FY 12, the funding eliminated for these initiatives was passed by the legislature but restored by governor's veto. The cuts were restored using SGF since the Marketing Fund dollars were spent elsewhere, which is why this reduction is SGF. Typically, this appropriation would have been financed through the Marketing Fund.	-$1,000,000	-$1,000,000	0
05 -252	Economic Development	Business Development	This adjustment in Statutory Dedications from the LED Fund reduces funding for the Wet Labs in Baton Rouge, New Orleans and Shreveport. The labs are designed to gradually become self-sufficient so annual reductions in state funding are expected. In FY 12, Baton Rouge was funded at $246,700, New Orleans at $1,387,625 ($1 M was funded through the LED Debt Service Agency 931 but is transferred back to LED-Business Development Agency 252 in the FY 13 Executive Budget), and Shreveport at $438,320 for a total of $2,072,645. With this reduction, funding for Baton Rouge is $168,603 (reduction of $78,097), New Orleans is $986,625 (reduction of $401,000), and Shreveport is $360,674 (reduction of $77,646) for a total of 1,515,902 for FY 13. The amount reduced compared to FY 12 is $556,743. It is expected that Baton Rouge Wet Lab will no longer require funding in FY 14 due to self-sufficiency.	$0	-$556,743	0
05 -252	Economic Development	Business Development	This reduction in IAT is for the Small Firm Recovery Grant & Loan Program and the Technical Assistance to Small Firms Program, both related to recovery from hurricanes Katrina and Rita implemented through the Division of Administration - Office of Community Development. This reduction aligns the appropriation to more closely reflect actual expenditures and does not eliminate any positions. Total funding for the program in FY 13 is $398,231.	$0	-$157,717	0
			Major Reductions for Economic Development	**-$1,000,000**	**-$6,024,062**	**-2**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 -261	Culture, Recreation & Tourism	Office of Secretary	Annualization of FY 12 mid-year reductions, which includes student labor, hardware and software maintenance, and professional services. Expenditures will be reduced from other compensation ($16,000); operating services ($63,814); and professional services ($15,000).	-$94,814	-$94,814	0
06 -262	Culture, Recreation & Tourism	State Library	Non-recurring funding from the U.S. Department of Commerce for the Broadband Technology Opportunity Program (BTOP) grant. LA's total allocation is approximately $8.8 M. Funding is used to accelerate broadband deployment in unserved, underserved, and rural areas and to enhance broadband capacity at strategic institutions that are likely to create jobs or provide significant public benefits. Funds provide online assistance for job seekers and other assistance to the users of public libraries. The grant ends on 12/31/2012 and $782,411 remains in the budget for FY 13.	$0	-$1,669,077	0
06 -262	Culture, Recreation & Tourism	State Library	Elimination of funding for State Aid to Public Libraries. This program provides direct funds to all parish public libraries in LA. The disbursement of funds is based on a formula and funds can only be expended for library collection materials and/or technology enhancement. No funding is available for state aid to public libraries in FY 13.	-$896,000	-$896,000	0
06 -262	Culture, Recreation & Tourism	State Library	Non-recurring federal funding from the Laura Bush Grant. This grant assisted in the professional development of librarians and library staff, as well as the recruitment of the next generation of librarians.	$0	-$67,037	0
06 -263	Culture, Recreation & Tourism	State Museum	Annualization of FY 12 mid-year reductions, which includes the elimination of 1 position, along with associated funding for salaries and related benefits. The position targeted for elimination has not yet been identified as of this date.	-$71,042	-$71,042	-1
06 -264	Culture, Recreation & Tourism	State Parks	Annualization of FY 12 mid-year reductions, which includes reductions to other compensation ($7,296), travel ($3,000), supplies ($45,000), other charges ($5,000), and interagency funds ($10,000). These reductions will result in several challenges to the Office of State Parks (OSP). Reductions in supplies will affect the purchase of pool and splash pad chemicals. The addition of a number of splash pads at the parks coupled with aging pools that leak have greatly increased the amount needed to purchase chemicals to properly treat water. Reduction of funding in other charges will affect Interpretive Programming. This reduction will result in the cancellation of some of the planned interpretive programs and the scaling back of many of the programs that will be held.	-$70,296	-$70,296	0
06 -264	Culture, Recreation & Tourism	State Parks	Personnel reductions of 1 position, along with associated funding for salaries and related benefits. The position targeted for elimination has not yet been identified as of this date.	-$48,857	-$48,857	-1

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
06 -265	Culture, Recreation & Tourism	Cultural Development	Non-recurring SGF for Decentralized Arts. The Decentralized Arts Program is designed to provide each parish with the opportunity to determine its own cultural programs in response to local needs. In FY 11 the Decentralized Arts Program awarded 9 grants. HB 1 provides $1 M from the LA Tourism Promotion District for this purpose compared to $1.5 M in the current fiscal year.	-$500,000	-$500,000	0
06 -265	Culture, Recreation & Tourism	Cultural Development	Reduces IAT funding from the Office of Community Development associated with the Road Home Program. This program was designed to provide compensation to LA homeowners affected by hurricanes Katrina and Rita for damage to their homes. Approximately $1.1 M remains in HB 1 for this purpose.	$0	-$300,000	0
06 -267	Culture, Recreation & Tourism	Tourism	Non-recurring pass-through SGR funding for NCAA Men's Final Four to be held at the New Orleans Arena 3/31-4/2/2012. This one-time funding was from the LA Tourism Promotion District.	$0	-$2,000,000	0
06 -267	Culture, Recreation & Tourism	Tourism	Non-recurring pass-through SGR funding for Sci-Port Science Center In Shreveport. This funding was from the LA Tourism Promotion District.	$0	-$75,000	0
06 -267	Culture, Recreation & Tourism	Tourism	Personnel reductions of 2 positions, along with associated SGR funding for salaries and related benefits. The positions targeted for elimination have not yet been identified as of this date. The funding was from the LA Tourism Promotion District.	$0	-$95,434	-2
			Major Reductions for Culture, Recreation & Tourism	**-$1,681,009**	**-$5,887,557**	**-4**
07 -276	Transportation & Development	Engineering & Operations	Reduction of personnel in lieu of cutting from other budget line items to fully fund salaries. This adjustment eliminates 20 vacant positions within the Operations Program. The elimination is possible due to persistent and pervasive high turnover rates among various positions. The position titles being eliminated are 16 Mobile Equipment Operator positions (7 Operator 1 positions and 9 Operator 2 positions), 2 Engineering Technician positions, Trade Apprentice position and Marine Deckhand position.	$0	$0	-20
07 -276	Transportation & Development	Engineering & Operations	Reduction of SGR from the Crescent City Connection Division Trust due to tolls sunsetting 12/31/2012. DOTD intends to utilize the balance of $7.1 M in SGR authority for the operation and maintenance of the bridge and surrounding infrastructure through FY 13. Beginning in FY 14, the sole identified funding source to maintain this infrastructure will be the Transportation Trust Fund - Regular. While this adjustment reduces 73 positions within the CCCD - Bridge Trust Program, the department reports that these positions will actually be used through 12/31/2012. Employees will be given the opportunity to transfer to other vacancies for which they qualify within the department. This adjustment leaves a balance of 47 positions that will transition into the Administration Program or the District Operations Program through functional supervision during FY 13, and then by permanent transfer in FY 14. The elimination of positions is not directly related to the reduction of budget authority.	$0	-$1,825,525	-73

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
07 -276	Transportation & Development	Engineering & Operations	Reduces positions frozen in accordance with Executive Order BJ 2011-12. These positions are unfunded vacancies in FY 12.	$0	$0	-4
07 -276	Transportation & Development	Engineering & Operations	CCCD - Marine - Reduction of 75 positions due to the privatization of the Crescent City Connection Division ferries (Gretna, Algiers and Chalmette). While this adjustment reduces 75 positions within the CCCD - Marine Trust Program, the department reports that these positions will actually be used until the ferry operations are privatized prior to the end of FY 13. The positions will be allocated as Non-TO FTE until a privatization agreement can be finalized. DOTD indicates that it will operate the ferry service using the current SGR until the privatization occurs.	$0	$0	-75
			Major Reductions for Transportation & Development	**$0**	**-$1,825,525**	**-172**
08A-	Corrections	Department Wide	Department wide reductions in positions which were reduced by the following amounts:	-$35,236,687	-$35,872,178	-583

Agency	SGF	Total	T.O.
Administration	($348,602)	($348,602)	(8)
Phelps Correctional Center	($156,672)	($156,672)	(2)
LA State Penitentiary	($20,145,661)	($20,451,166)	(296)
LA Correction Institute for Women	($148,110)	($148,110)	(3)
J. Levy Dabadie Correctional Center	($6,421,201)	($6,751,187)	(107)
Elayn Hunt Correctional Center	($446,954)	($446,954)	(7)
David Wade Correctional Center	($6,737,448)	($6,737,448)	(148)
Adult Probation & Parole	($454,712)	($454,712)	(7)
Total	($35,236,687)	($35,872,178)	(583)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A-	Corrections	Department Wide	Annualization of FY 12 mid-year reduction in the amount of $2.4 M and the elimination of 37 positions. The FY 12 reduction for the department was $6,272,005 SGF, along with 16 positions transferred to Unallotted. The FY 13 annualized reductions in salaries and related benefits are as follows:	-$2,380,296	-$2,380,296	-37

Agency	SGF	T.O.
Administration	($258,840)	(5)
Avoyelles Correctional Center	($121,908)	(1)
LA Correction Institute for Women	($148,110)	(3)
Elayn Hunt Correctional Center	($446,954)	(7)
David Wade Correctional Center	($572,445)	(9)
Adult Probation & Parole	($454,712)	(7)
Total	($2,380,296)	(37)

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08A-	Corrections	Department Wide	The Department of Corrections has entered into a contract with Johnson Controls that will guarantee reduced utility costs at facilities and headquarters through the design and implementation of energy savings projects. The total savings of $617,846 is expected department wide in FY 13. The savings realized department wide will be used for bond payments to update the facilities. The facilities will realize an electricity and natural gas savings of $612,474 and a water savings of $5,373 in FY 13. The company will install more efficient lights, new HVAC controls, and new boilers and chillers at the facilities. The savings at each facility are as follows: **Agency** / **Utility Savings** Administration ($46,341) Phelps Correctional Center ($68,365) LA State Penitentiary ($116,256) LA Correction Institute for Women ($11,394) Dixon Correctional Institute ($118,522) Elayn Hunt Correctional Center ($40,949) David Wade Correctional Center ($137,081) Rayburn Correctional Center ($78,938) Total ($617,846)	-$617,846	-$617,846	0
08A-400	Corrections	Administration	Reduction of IAT budget authority due to non-recurring FEMA funding associated with Hurricane Gustav. The funding is being used to develop a new Offender Management System that will replace the antiquated CAJUN system. Approximately $1.3 M will purchase the equipment for the system and the remaining $1.3 M will be used by the contractor to development the new system. The project is currently out for bid and will be completed in FY 12.	$0	-$2,599,110	0
			Major Reductions for Corrections	**-$38,234,829**	**-$41,469,430**	**-620**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B-418	Public Safety	Management & Finance	Annualization of the FY12 mid-year reductions that eliminates 2 Information Technology Application Programmer/Analyst positions and associated funding for $157,572 salaries and $61,204 related benefits.	$0	-$218,776	-2
08B-418	Public Safety	Management & Finance	Personnel Reductions. This adjustment eliminates salaries, related benefits and authorized positions as follows: Electronic Technician, IT Applications Programmer/Analyst 2, IT Tech Support Specialist 1, Facility Maintenance Manager, and one yet to be determined position. The department reports it will be able to absorb the duties of the eliminated positions with existing personnel.	$0	-$366,680	-5
08B-418	Public Safety	Management & Finance	This adjustment non-recurs $3 M in IAT funds associated with a federal grant for emergency preparedness that will be completed in FY 12 and $500,000 in excess, unfunded SGR authority.	$0	-$3,509,565	0
08B-419	Public Safety	State Police	Non-recur Statutory Dedications funding from the Natural Resource Restoration Trust Fund ($14.25 M) and Oil Spill Contingency Fund ($33 M) for expenses associated with the Deepwater Horizon Event. This adjustment removes all funding associated with this event from the State Police Budget.	$0	-$47,254,740	0
08B-419	Public Safety	State Police	Non-recurring one-time funding to regional task forces for support in criminal investigation activities in large urban areas of the state. The City of Gretna was the sole applicant for funding. The full appropriation of $500,000 was distributed to, and expended by, the City of Gretna through a Memorandum of Understanding with the Department of Public Safey.	-$500,000	-$500,000	0
08B-419	Public Safety	State Police	Reduces federal funding ($504,000) from the Ticketing Aggressive Cars & Trucks (TACT) Enforcement & Evaluation Grant that was approved by the Joint Legislative Committee on the Budget in FY 12, and associated state match ($126,000 SGR). The grant provides funding for enforcement activities targeting unsafe drivers of commercial vehicles and drivers of passenger cars operating aggressively around commercial vehicles. The total grant award is $850,000, $680,000 Federal and $170,000 SGR match. This adjustment reduces budget authority by $630,000 ($504,000 Federal and $126,000 SGR) reflecting a decrease in expenditures from $740,000 ($592,000 Federal and $148,000 SGR) in FY 12 to $110,000 ($88,000 Federal and $22,000 SGR) in FY 13. The FY 13 appropriation will provide approximately 1,973 overtime enforcement hours at an average rate of $50.68 per hour and $10,000 for the remainder of a professional services contract with LSU's Highway Safety Research Group to identify needed enforcement areas in the state.	$0	-$630,000	0
08B-420	Public Safety	Motor Vehicles	Non-recurring SGR funding for Other Compensation positions that will no longer be utilized. Funds were provided to the Office of Motor Vehicles in FY 12 to allow additional time to reach its appropriated T.O. without executing a layoff. At the time the adjustment was made during development of the FY 12 Executive Budget, 98 positions were targeted for reduction. By the start of FY 12, on 7/1/2011, only 28 of these positions were still occupied and transformed into Other Compensation positions. All of these positions are currently vacant through attrition.	$0	-$1,643,752	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B-420	Public Safety	Motor Vehicles	Reduces funding from 2 federal grants that were approved by the Joint Legislative Committee on the Budget in FY 12. The Commercial Driver's License Improvement Grant facilitates the Office of Motor Vehicle's ability to capture and record data from scanned images of traffic convictions or court documents for inclusion on driver's license histories. The total grant award was $241,381. This adjustment reduces budget authority by $158,231, reflecting the decrease of expenditures from $199,806 in FY 12 to $41,575 in FY 13. The Driver's License Security Grant facilitates improving security related to credentials, road skills testing, document management and customer flow management. The total grant amount was $1,107,680. This adjustment reduces budget authority by $850,858, reflecting the decrease of expenditures from $979,269 in FY 12 to $128,411 in FY 13. The total appropriated for these grants in FY 12 is $1,179,075. The balance appropriated for FY 13 is $169,986.	$0	-$1,009,089	0
08B-422	Public Safety	State Fire Marshal	Annualization of the FY12 mid-year reduction plan. The projected savings are achieved through a reduction in the expected premiums for volunteer firefighters insurance and through department wide cross-training of all Fire Marshall inspectors, allowing the elimination of 6 positions.	$0	-$828,611	-6
			Major Reductions for Public Safety	**-$500,000**	**-$55,961,213**	**-13**
08 -403	Youth Services	Juvenile Justice	Reduction of $1.2 M in SGF in the programs of Administrative, Swanson Center for Youth, Jetson Center for Youth, Bridge City Center for Youth, and Field Services. Each program was reduced $240,000 based on historical expenditures in the expenditure categories of IAT, travel, and supplies.	-$1,200,000	-$1,200,000	0
08 -403	Youth Services	Juvenile Justice	Annualization of FY 12 mid-year reductions in the amount of $6 M in SGF and 30 positions. The reduction in FY 12 was $6 M and 30 positions transferred to Unalloted. The FY 13 reductions are as follows:	-$6,024,629	-$6,052,629	-30

Program	SGF	Total	T.O.
Administratve	($365,390)	($365,390)	(1)
Swanson Center for Youth	($1,441,705)	($1,441,705)	(12)
Jetson Center for Youth	($917,653)	($917,653)	(5)
Bridge City Center for Youth	($1,450,781)	($1,450,781)	(10)
Field Services	($849,100)	($849,100)	(2)
Contract Services	($1,000,000)	($1,028,000)	0
Total	($6,024,629)	($6,052,629)	(30)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08 -403	Youth Services	Juvenile Justice	Reduction in TANF funds ($2.7 M in IAT) from the Department of Children & Family Services provided for Families in Need of Services (FINS). Youth who are adjudicated to FINS are served by OJJ through service providers who offer early intervention and early prevention services. As a result of the decrease in TANF funds, OJJ will reduce contracts with providers who serve FINS youth.	$0	-$2,700,000	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08 -403	Youth Services	Juvenile Justice	Reduction of $656,782 SGF in the Contract Services Program for the Residential Services activity. The reduction is a result of a decreased census in residential services. OJJ contracts with providers for the operation of residential/group homes, shelter care, transitional living programs, and foster care. Youth who have been removed from their homes are placed in one of the residential home settings in the custody of OJJ. OJJ will reduce contracts statewide with providers who serve youths placed in Residential Services.	-$656,782	-$656,782	0
08 -403	Youth Services	Juvenile Justice	Reduction of $376,751 SGF in the Contract Services Program for the Prevention & Diversion activity.The reduction is a result of a decreased census in Prevention & Diversion programs. OJJ contracts with providers to operate programs that focus on education, mentor tracker services, family centered services, early intervention, counseling and therapy, local courts, and provide therapeutic intervention to individuals and their families. OJJ will reduce contracts statewide with providers who serve youths through Prevention and Diversion.	-$376,751	-$376,751	0
08 -403	Youth Services	Juvenile Justice	Reduction of $175,000 SGF in the Contract Services Program for counseling services due to a reduced census count of youth receiving counseling. OJJ contracts with providers to provide counseling services to youth in OJJ custody and/or supervision. Counseling services include psychological/ psychosocial, anger management, sex offender assessments and treatment, anger management, and various other counseling services.	-$175,000	-$175,000	0
08 -403	Youth Services	Juvenile Justice	Reduction of $626,340 SGF in the Contract Services Program for the Community Reintegration activity. OJJ provides services to youth in OJJ custody that are returning to their local school district, their home, or entering the workforce. OJJ contracts with providers throughout the state to provide services for individual, group, and family counseling; mentoring/tracking services; educational/vocational services; and employment assistance. The contracts to providers are being reduced statewide.	-$626,340	-$626,340	0
08 -403	Youth Services	Juvenile Justice	Reduction of $1 M in IAT funding from the Department of Children & Family Services (DCFS) in the Contract Services Program. The IAT reduction is part of reduced funding to DCFS from Federal funds (Title IV-E). Contracts are issued to 5 local courts for services to assist and support foster care services for eligible children and youth who are under the supervision and/or custody of OJJ. These services include foster care candidate services, case plan development, referral to services, preparation for and participation in judicial determinations, case reviews, case management and supervision services, and for administrative costs related to administering the Title IV-E Program. The local courts are reimbursed by OJJ for their eligible expenses incurred in providing these services.	$0	-$1,000,000	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08 -403	Youth Services	Juvenile Justice	Reduction of $5,624,344 ($5.334 M in SGF and $290,344 IAT) in the Contract Services Program by the elimination of funding for day treatment (special schools). The day treatment centers are alternative schools for youth who had problems in their local school districts. OJJ contracts with 1 Volunteers of America facility in the Lafayette region and 8 Associated Marine Institute facilities in the regions of Tallulah, Lafayette, Alexandria, Thibodaux, Baton Rouge, Lake Charles, Shreveport, and Metro New Orleans. The youth will be placed back into alternative schools in their respective school districts. The IAT funding of $290,344 is federal Titles I grants from the Department of Education that was used at each of the day treatment facilities.	-$5,334,000	-$5,624,344	0
08 -403	Youth Services	Juvenile Justice	The House Appropriations Committee amendment reduces $1.5 M in SGF from the Office of Juvenile Justice (OJJ) through reductions in the following programs: Administration - $465,517; Swanson Center for Youth $387,931; Jetson Center for Youth - $206,897; Bridge City Center for Youth - $439,665. This amendment is a placeholder for an amendment that will reduce OJJ by an additional $2.7 M for a total reduction of $4.2 M. The amendment consolidates the Office of Management and Finance functions within OJJ into the Department of Public Safety (DPS) through a reduction of 17 T.O. positions (1 vacant T.O. position) and related funding totaling $1.5 M. In addition, maintenance positions, training staff, and facility administrative positions would also be eliminated. This would result in an additional elimination of 51 T.O. psotions (2 vacant T.O. positions) and related funding totaling $2.7 M. OJJ will transfer approximately $848,000 and 13 T.O. positions that include human resources, information tecnology, accounting, grants/contracts, and maintenance to DPS. At this time the Legislative Fiscal Office is trying to determine if DPS can handle this consolidation with existing resources as the amendments only reduce funding and positions within OJJ and GOHSEP and do not increase resources within DPS.	-$1,500,000	-$1,500,000	0
			Major Reductions for Youth Services	**-$15,893,502**	**-$19,911,846**	**-30**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -	Health & Hospitals	Human Srvcs. Districts	Annualization of FY 12 mid-year reductions. Capital Area Human Services District (CAHSD) and Florida Parishes Human Services Authority (FPHSA) had only one-time expenditures reduced in the mid-year reduction plan. The other human service districts had the following amount of recurring expenditures reduced and annualized in FY 13: **Jefferson Parish Human Services Authority ($100,100)** ($100,100) - Funding for layoff of 2 non-T.O. FTEs for 26 pay periods ($50,050 each) **Metropolitan Human Services District ($535,000)** ($500,000) - Pharmacy expenditures ($35,000) - Operating supplies **South Central LA Human Services Authority ($187,392)** ($67,392) - mental health psychological services contracts ($100,000) - mental health case management contracts ($20,000) - addictive disorders youth counseling contracts	-$822,492	-$822,492	0
09 -300	Health & Hospitals	Jefferson Parish Human Services Authority	Reduction to operating services ($221,000), pharmaceutical supplies ($41,789), and developmental disabilities services ($100,600). The impact of these reductions is detailed below. **($120,900) -** layoff of 2 non-T.O. FTEs who perform access/welcome services in the clinic; implementation of the layoff will depend on requirements of the LA Behavioral Health Partnership and payments by State Management Organization. **($100,600) -** reduction to the Families Helping Families Outreach contract resulting in 100 fewer families with developmental disabilities receiving community support and services and layoff of 1 non-T.O. FTE performing waiver services. **($100,100) -** reductions to nonessential operating services including supplies, travel and savings through attrition. **($41,789) -** reduction to pharmaceuticals, which will result in 300 fewer adults receiving medications unless the reduction can be offset through increased assistance of the Patient Assistance Program (PAP).	-$363,389	-$363,389	0
09 -301	Health & Hospitals	Florida Parishes Human Services Authority	Reductions to operational expenditures and professional services contracts as follows: **($75,000)** - Projection of potential future savings in lease payments from consolidating offices that are currently in different buildings. **($164,954)** - Professional services contracts, includes: • ($3,800) - Educational & training services to staff at local emergency rooms to serve as a bridge between hospitals and community-based services by teaching staff to recognize and understand the behavioral health issues that can be referred to FPHSA • ($9,000) - Training materials for family/consumer educational classes and support groups • ($152,154) - Reductions to Intensive Case Management, which provides links and supports that help maintain individuals in the community versus institutionalization.	-$239,954	-$239,954	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -304	Health & Hospitals	Metropolitan Human Services District	Savings achieved through increased utilization of Patient Assistance Programs (PAP) in outpatient pharmacy. Patient assistance programs are run by pharmaceutical companies to provide free brand name medications to people who cannot afford to buy their medicine. MSHD provided the estimate based on a plan it is implementing including targeting higher cost drugs and improving processes for enrollment for those specific drugs.	-$307,899	-$307,899	0
09 -304	Health & Hospitals	Metropolitan Human Services District	HAC amendment decreases IAT budget authority to properly align with anticipated revenue collections from the Greater New Orleans Community Health Connection (1115 Medicaid Demonstration Waiver Program). The 1115 Waiver Program was designed to be a more sustainable funding source after the expiration of the Primary Care Access & Stabilization Grant. It will be used to make Disproportionate Share Hospital (DSH) payments to waiver providers for traditionally non-allowable costs associated with primary and behavioral health care through a clinic infrastructure, including 6 clinics operated by MHSD. Specifically, services are for the provision of physical, mental and addiction services to address the emotional and psychological needs of targeted individuals in MHSD (includes Orleans, St. Bernard, and Plaquemines parishes).	$0	-$900,000	0
09 -305	Health & Hospitals	Medical Vendor Administration	Annualization of FY 12 mid-year reductions.	-$635,798	-$1,271,595	-13
09 -305	Health & Hospitals	Medical Vendor Administration	Eliminates non-recurring statutorily dedicated funding ($1 M) from the Overcollections Fund and Federal funding ($1 M) for the Bayou Health Outreach. This funding was used to engage CCN-eligible Medicaid and LaCHIP recipients to inform and educate them about the changes to LA Medicaid and reinforce the importance of making a proactive choice of a CCN. Outreach utilized traditional and non-traditional media, direct mail and aggressive one-on-one outreach events to reach the target audience, and was responsible for development of all messaging (including direct mail pieces, posters and other printed and digital material), training of Department staff and community-based organizations and planning of outreach events.	$0	-$2,000,000	0
09 -305	Health & Hospitals	Medical Vendor Administration	HAC amendment reduces funding ($808,404 SGF and $$808,404 Federal) and thirty-seven (37) authorized positions related to eligibility offices. The Medical Vendor Administration (MVA) will implement targeted eligibility office closures in West Jefferson, Avoyelles, Natchitoches, and Richland parishes. DHH is not anticipating any service impact as Medicaid Application Centers (MAP) will still be available in these parishes.	-$808,404	-$1,616,808	-37

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Eliminates funding for the Primary Care Access Stabilization Grant (PCASG). Originally, the grant was for 3 years but in October 2010 CMS extended the grant until March 2012. PCASG is a $100 M grant program designed to meet the increasing demand for healthcare services in the 4-parish Greater New Orleans area (Jefferson, Orleans, Plaquemines and St. Bernard parishes), provide high quality primary and behavioral health care at the community level, and decrease reliance on emergency rooms for conditions more appropriately treated in an outpatient setting. Twenty-five public and private non-profit organizations were eligible for funding through the grant, including primary healthcare, mental health treatment and counseling, HIV/AIDS treatment and counseling, and substance abuse treatment providers. The funds help healthcare providers stabilize, improve and expand their services through methods including opening satellite clinics, extending hours of operation and hiring additional qualified medical staff. The participating organizations provide affordable services to everyone, without regard to ability to pay.	$0	-$1,500,000	0
09 -306	Health & Hospitals	Medical Vendor Payments	Non-recurring carryforwards ($3,947,683 SGR and $10,807,300 Federal).	$0	-$14,754,983	0
09 -306	Health & Hospitals	Medical Vendor Payments	Reduces SGF appropriated in the DHH and allocated to the LSU HCSD hospitals that represented Disproportionate Share Hospital (DSH) audit rule replacement funding for the LSU hospitals. According to LSU, this reduction will not have a significant impact since the DSH audit rule's impact was less than anticipated, and other DSH audit rule solutions were implemented at LSU. These include payments from the E. A. Conway Upper Payment Limit (UPL) and savings achieved through Low Income Needy Care Collaboration Agreements (LINCCA). **History:** The federal DSH audit rule under CMS rules, resulted in a reduction in overall DSH allowable costs to both public and private hospital and other facility providers. In addition to requiring state Medicaid programs to audit and report relative to DSH payments effective 1/19/2009, the rule defines allowable costs more restrictively. The net result was a reduction in allowable or reimbursable expenditures to certain providers.	-$35,618,285	-$35,618,285	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides savings ($41,416,068 SGF and $103,294,165 Federal) from provider rate cuts. The source of Federal funds is Title XIX federal financial participation. This adjustment reduces payments in the Private Provider Program of Medicaid by implementing various cuts to providers. The specific providers and rate cut amount by provider have yet to be determined.	-$41,416,068	-$144,710,233	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides savings ($6 M in SGF and $14,964,361 Federal) from changing the nursing home reimbursement methodology to a Nursing Home Resource Utilization Grouping System. This system will base acuity level only on Medicaid patients. The source of Federal funds is Title XIX federal financial participation. This adjustment is the net of 2 separate adjustments. The first adjustment eliminates reimbursement to nursing homes for Medicare Crossover claims associated with therapies. The other payment adjustment is an actual reduction in the daily rate paid to nursing homes. Elimination of Crossover claims ($8,465,143) Rate reduction ($12,499,218) FY 13 Total Adjustment ($20,964,361)	-$6,000,000	-$20,964,361	0
09 -306	Health & Hospitals	Medical Vendor Payments	Eliminates funding ($23,433,184 SGR; $7,061,818 Statutory Dedications; and $76,056,343 Federal) for non-recurring one-time expenses in FY 12 associated associated with Bayou Health implementation. This funding represents claims lag payments to cover the cost associated with making both Medicaid claims payments and simultaneous Per Member Per Month (PMPM) payments for individuals enrolled in Medicaid Managed Care in FY 12. Premium payments to the managed care networks are appropriated in the Medicare Buy-Ins & Supplements Program for FY 12. The source of Federal funds is Title XIX federal financial participation. The 2 other non-SGF match sources are Statutory Dedication revenues from the Medical Assistance Trust Fund and SGR from various DHH agencies.	$0	-$106,551,345	0
09 -306	Health & Hospitals	Medical Vendor Payments	Reduces Federal funds for Medicare Premiums Part A & B premiums increase.	$0	-$3,469,824	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides savings ($3.2 M in SGF and $7,980,992 Federal) from migrating hospital reimbursement methodology from a per diem basis to a diagnosis related group basis. The source of Federal funds is Title XIX federal financial participation. DHH is projecting a 2.7% decrease in claims payments to hospitals as a result of payment methodology changes for such providers. A Diagnosis Related Group (DRG) is a method of classifying hospital cases (cost of 'products'/resources per case) into groups for the purpose of Medicare reimbursement. DHH Medicaid intends to implement a similar system based on DRG's. Medicaid savings are anticipated in inpatient hospital costs as a result of reducing average length of stay. Information provided by the DHH indicates this payment method will impact all hospitals (private providers) except the state public hospitals (charity hospitals). The adjustment is based on the following assumptions and calculation: FY 13 Projected hospital payments: $388,376,639 Projected % decrease in inpatient payments: 2.88% (rounded) Decrease Adjustment: ($11,180,992)	-$3,200,000	-$11,180,992	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Provides savings ($1.5 M in SGF and $3,714,090 Federal) from switching to a Pharmacy Average Acquisition Cost Methodology for pharmacy reimbursement. The source of Federal funds is Title XIX federal financial participation. DHH is projecting a 2.7% savings in the pharmacy program as a result of such payment methodology changes. Currently, DHH Medicaid reimburses based on an average wholesale price (AWP) methodology, but will transition to an Average Acquisition Cost (invoice cost of drug ingredient plus dispensing fee cost) plus 30%.	-$1,500,000	-$5,241,090	0
09 -306	Health & Hospitals	Medical Vendor Payments	Provides for Bayou Health (BH) implementation savings ($26,552,303 SGF and $66,223,066 Federal) from eliminating the Community Care Program which is no longer needed ($1,783,876 SGF and $4,449,094 Federal); and moving case coordination for NOW Waiver recipients ($3 M in SGF and $7,482,180 Federal) and non-waiver services for waiver recipients ($1.2 M in SGF and $2,992,872 Federal) under BH; pharmacy services into Bayou Health ($30,324,580 SGF and $12,158,720 Federal); and Private Providers reduction ($8,409,707 SGF and $20,974,340 Federal).	-$26,552,303	-$92,775,369	0
09 -306	Health & Hospitals	Medical Vendor Payments	Net decrease ($6,137,160 SGF and $15,306,444 Federal) in Public Providers resulting from Per Diem payment savings due to the FY 13 privatization of Public ICF/DD's. The source of Federal funds is Title XIX federal financial participation. This decrease is based on the reduction in per diems by changing from the public rate to the private rate as a result of privatization of the North Lake and Northwest ICF/DD. This adjustment reflects the increase in Medical Vendor Payments private provider reimbursement, reduction in the public provider program as a result of eliminating Medicaid payments to these facilities, and retaining a portion of the savings in Publics to IAT to OCDD to cover facility closure cost. **Per Diem payment comparison:** FY 13 payments to Private Providers: $18,499,728 FY 13 payment cut to North Lake and Northwest: ($43,865,722) Net payment impact from publics to privates: ($25,365,994) - savings Title XIX savings (IAT) to OCDD for closure cost: $3,922,390 Net savings to Medicaid: ($21,443,604)	-$6,137,160	-$21,443,604	0
09 -306	Health & Hospitals	Medical Vendor Payments	Reduces funding ($11,864,909 SGF and $29,591,798 Federal) in the Medicaid Buy-Ins Program. The source of Federal funds is Title XIX federal financial participation. This represents a cut to both the Bayou Health Managed Care Program and Behavioral Health Partnership Managed Care Program. The program cuts are reflected below: ($37,306,889) Bayou Health Program ($4,149,818) Behavioral Health Partnership ($41,456,707) Total program cut to managed care programs in the Buy-Ins Program	-$11,864,909	-$41,456,707	0
09 -306	Health & Hospitals	Medical Vendor Payments	HAC amendment reduces funding ($1,152,843 SGF and $2,875,258 Federal) due to a decrease in the growth of the NOW Waiver Program in FY 13 as a result of not filling slots through attrition.	-$1,152,843	-$4,028,101	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -307	Health & Hospitals	Office of Secretary	Eliminates non-recurring portion of IAT funding for the Generator Program. The original end date was April 2012, but has been extended through December 2012. Approximately $10 M is available for FY 13. In FY 10, the Office of the Secretary was appropriated approximately $32.2 M for a generator program that provides generators to eligible medical and special needs facilities. Funding was transferred from the Governor's Office of Homeland Security, and the original source of IAT funds is a FEMA Hazard Mitigation Grant. The grant is 100% Federal funds.	$0	-$15,796,000	0
09 -307	Health & Hospitals	Office of Secretary	Annualization of FY 12 mid-year reductions.	-$705,457	-$705,457	0
09 -307	Health & Hospitals	Office of Secretary	Reduction of 67 IT positions in Information Technology Section of the Office of the Secretary. DHH is outsourcing its IT function in the Office of the Secretary and transferring funding associated ($4,275,073) with the 67 positions to the Medical Vendor Administration Program for professional services IT contracts with the University of New Orleans (UNO).	$0	$0	-67
09 -309	Health & Hospitals	South Central LA Human Services Authority	Reductions to contractual services, travel, and supplies (detailed below). According to SCLHSA, the reductions to contractual services will cause a reduction in available clinical services. ($5,000) Agency staff travel ($9,402) Operating supplies ($15,600) Equipment acquisition <u>Mental Health contract reductions:</u> ($25,000) Peer-to-peer support ($15,000) Respite camps ($40,000) Recovery centers ($42,452) Family supports/case management <u>Developmental Disabilities contract reductions:</u> ($46,440) Cash subsidy ($58,500) Family advocacy	-$257,394	-$257,394	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -320	Health & Hospitals	Aging & Adult Services	Reduction of $172,090 in SGR and $125,884 in federal Funds. The source of SGR is Federal funds from the Tenant Based Rental Assistance (TBRA) Program under the HOME Investment Partnership Program from the U.S. Department of Housing & Development (HUD). The HOME Investment Partnership Program is administered through the LA Housing Finance Agency. TBRA is a rental subsidy program funded by HUD that helped low-income individuals afford housing costs by providing assistance with security and utility deposits and short-term rent assistance (up to 2-months). OAAS used TBRA funds as well as the Permanent Supportive Housing (PSH) Program to assist individuals who are transitioning from institutional care to community living under the Money Follows the Person (MFP) Program. OAAS contracted with Quadel Housing Consultants to oversee the TBRA Program. The source of Federal funds is a Real Choice Systems Change Person-Centered Planning (PCP) Implementation grant from the Center for Medicare & Medicaid Services (CMS). The 3-year grant was used to develop programs which will enable people with disabilities to reside in their homes and participate fully in community life. The types of services offered to help these individuals could include assistance with dressing, bathing, shopping, preparing meals, eating, or help with personal budgeting. An individual needs assessment will be conducted to determine the types of services an individual may need.	$0	-$297,974	0
09 -320	Health & Hospitals	Aging & Adult Services	Reduction of $195,149 in SGF for costs and expenses of the lease of the John J. Hainkel, Jr. Home & Rehabilitation Center in the Villa Feliciana Medical Complex Program. In FY 12, $595,149 ($195,149 SGF and $400,000 SGR) was budgeted for costs and expenses associated with the lease of the Hainkel Home. Act 933 (HB 971) of 2010 authorized the DHH/Office of Aging & Adult Services (OAAS) to lease the Hainkel Home located in New Orleans. In January 2011, DHH/OAAS entered into a 5-year lease with the New Orleans Home for Incurables starting 4/19/2011. The New Orleans Home for Incurables is a LA non-profit corporation domiciled in New Orleans. The lease agreement stipulates that lease payments will equal the actual out-of-pocket annual costs and expenses incurred by DHH/OAAS related to the Hainkel Home. Costs and expenses include termination pay, unemployment compensation, premiums payable to the Office of Risk Management, elevator maintenance contract, retiree group insurance, LEAF payoff, and any other unanticipated cost. The lease payments annual maximum is $400,000 and the annual minimum is $150,000. **Expenses** Office of Risk Management $281,090 Workforce Commission $128,440 Retiree Group Insurance $183,315 Elevator Maintenance $2,304 Total $595,149	-$195,149	-$195,149	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -326	Health & Hospitals	Public Health	Reduction due to Executive Order BJ 2011-12 Hiring Freeze in FY 12 in which 28 positions were eliminated. Only the SGF portion of the total funding associated with the 28 positions was reduced during the hiring freeze in FY 12 on 12/16/2011, after the EOB freeze date of 12/1/2011. As a result, the funds must also be reduced from the base budget in FY 13. Reductions were made in the salaries ($115,022) and related benefits ($61,935) expenditure categories. Note: The total funding by all MOF associated with the 28 positions was $1,933,194 in FY 12.	-$176,957	-$176,957	-28
09 -326	Health & Hospitals	Public Health	Annualization of FY 12 mid-year reductions in which 10 positions were eliminated from the Personal Health Services Program, of which 8 positions were unfunded vacancies and were reduced to properly align the total T.O. in Public Health. In addition, recurring expenditure reductions were annualized including savings from reducing 15 fax lines at Benson Towers ($10,317), reductions to operating services within the Bureau of Emergency Medical Services with no service impact ($85,600), and savings from the annualized elimination of 2 positions through the consolidation of duplicative administrative functions and reductions in the Children's Special Health Services, Lead Poisoning Prevention, and Genetics Programs ($109,980). These programs were relocated to Benson Towers where management, data analysis, and clerical support could be integrated and shared.	-$205,897	-$205,897	-10
09 -326	Health & Hospitals	Public Health	A net reduction of $2,373,216 due to excess federal budget authority from expired federal grants in past years and an analysis of non-recurring expenditures. This is a technical adjustment to bring the Public Health Services Program budget authority into proper alignment by means of finance and will not have a significant service impact.	$0	-$2,373,216	0
09 -326	Health & Hospitals	Public Health	Regional administrative function and case management services will transition to the central office staff to provide administrative and case management support (10 positions will be reduced). Additionally, staff from the various offices in Region 2 will be consolidated into one office and 3 positions will be reduced. The Section of Environmental Epidemiology & Toxicology is also streamlining programmatic functions resulting in one position being reduced.	-$950,658	-$950,658	-14
09 -326	Health & Hospitals	Public Health	The Amite office within the Office of Public Health will consolidate permitting and accounts receivable & reduce one position. Additionally, the Molluscan Shellfish, Commercial Seafood, and Food & Drug activities will consolidate in Region 5, thus enabling one position to perform the work currently done by two. As such, one position will be reduced.	-$117,101	-$117,101	-2
09 -326	Health & Hospitals	Public Health	HAC amendment reduces funding and 4 positions from the Environmental Health Building & Premises Program. Building and premises inspections statewide will decrease from 12,000 to 9,800 per year.	-$166,257	-$166,257	-4

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -330	Health & Hospitals	Behavioral Health	Non-recurring one-time Statutory Dedications funding from the Overcollections Fund for start-up and administrative costs for non-Medicaid populations in the LA Behavioral Health Partnership (LBHP). The $10.5 M consisted of the following expenditures: $4,191,200 8% administrative cost for SMO to manage adult non-Medicaid population $1,146,385 8% administrative cost for SMO to manage child non-Medicaid population $3,198,844 Transition costs associated with maintaining services as eligible populations are enrolled in expanded Medicaid package $750,000 Data warehouse, IT components, ongoing technical support $750,000 Workforce development program to initially train providers and staff through transition $500,000 Implementation costs associated with conversion of operational and oversight function from OBH to SMO	$0	-$10,536,429	0
09 -330	Health & Hospitals	Behavioral Health	Non-recurring SGR funding for behavioral health assessments, training, and services related to the BP Deep Water Horizon Event. Funds were from a contribution grant from BP which expired on 9/30/2011. Funds were disbursed to the human services districts and the Department of Children & Family Services (DCFS) for crisis relief and outreach services as follows: Jefferson Parish Human Services Authority ($669,855) Metropolitan Human Services District ($723,809) South Central LA Human Services Authority ($1,252,450) Dept. of Children & Family Services ($137,688) Office of Behavior Health ($398,769) **Total** **($3,182,571)**	$0	-$3,182,571	0
09 -330	Health & Hospitals	Behavioral Health	Non-recurring funding for the Strategic Prevention Framework State Initiative Grant (SPF SIG). LA was initially awarded $11.75 M to implement the "Governor's Initiative to Build a Healthy Louisiana." Funding was awarded from the Substance Abuse & Mental Health Services Administration (SAMHSA) Center for Substance Abuse Prevention. The goals of SPF SIG are to: 1) Prevent and reduce the progression of substance abuse, including childhood and underage drinking; 2) Reduce substance abuse-related problems in communities; and 3) Build prevention capacity and infrastructure at the State and community levels. The grant expired on 9/30/2011, by which time, according to the DHH, all objectives were met.	$0	-$5,155,360	0
09 -330	Health & Hospitals	Behavioral Health	Eliminates 23 positions and associated SGR funding due to the privatization of the 20-bed acute psychiatric unit at the University Medical Center (UMC) in Lafayette (OBH staffs the hospital psychiatric acute unit). Lafayette General Medical Center will take over operations and staffing of the acute unit at $581.11/day for both Medicaid and Uninsured patients.	$0	-$1,650,550	-23

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -330	Health & Hospitals	Behavioral Health	Savings attributed to relocation of Central LA State Hospital (CLSH) to the northeast corner of the campus in Pineville. Currently, CLSH has 60 beds and consists of 84 buildings, many of which are vacant. DHH plans to consolidate CLSH patients into the Northeast corner of the campus and eliminate duplicative staff functions. As part of this consolidation, 82 filled positions (11 indirect positions & 71 direct care positions) will be eliminated with a corresponding $2,451,000 reduction in SGF to the Hospital Based Treatment Program within the Office of Behavioral Health. Of the 82 positions being reduced, 19 are probational positions and 63 are permanent employees.	-$2,451,000	-$2,451,000	-82
09 -330	Health & Hospitals	Behavioral Health	HAC amendment reduces SGF funding for 4 positions from the Access to Recovery (ATR) Program within the Behavioral Health Community Program since clinical services will now be reimbursable under Medicaid through the LA Behavioral Health Partnership (LBHP). The ATR Program was created to provide client choice among substance abuse clinical treatment services and recovery support providers, expand access to a comprehensive array of clinical treatment and recovery support options (including faith and community-based organizations), and increase substance abuse treatment capacity. Treatment options will now be provided through Magellan as the Statewide Management Organization and managed care provider; however, some services which are not reimbursable through the LBHP, such as transportation services, housing vouchers, and urine testing, will continue to be funded through ATR.	-$600,000	-$600,000	-4
09 -330	Health & Hospitals	Behavioral Health	HAC amendment reduces funding and 115 positions from the Behavioral Health Community Program due to the elimination of the behavioral health regional offices in regions 4, 5, 6, 7, and 8 with the planned creation of independently funded human service districts in those regions. As of 5/3/2012, OBH has not developed an implementation plan. **Note:** In FY 13, Region 4 will begin its first year, breaking away from OBH as the newly created Acadiana Area Human Services District (Lafayette area). The remaining new districts in the Office of Behavioral Health's Regions 5, 6, 7, and 8 are going through preparations to begin operating independently of OBH's budget as well. Regions 5 (Lake Charles area) and 6 (Alexandria area) currently have a board of regional and state stake-holders that meet to develop the fundamentals of the district's operations and services. Regions 7 (Shreveport area) and 8 (Monroe area) have not established their full board yet. According to DHH, funding for Regions 5 and 6 will be transferred to them as independent budget units in FY 14 and for Regions 7 and 8 in FY 15.	-$4,546,780	-$4,546,780	-115

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -330	Health & Hospitals	Behavioral Health	A net reduction of $211,694 in IAT from the Department of Children & Family Services (DCFS) for the Early Childhood Supports & Services (ECSS) Program. The source of funds is the Federal Temporary Assistance for Needy Families (TANF) Initiative. According to the OBH and the Division of Administration, ECSS was originally reduced by $3,600,876 in the FY 13 Executive Budget, and a HAC amendment restored $3.4 M in order to properly align OBH's T.O. and IAT budget authority to $5.3 M for ECSS. This results in a net reduction of $211,694 from the FY 12 base budget of $5.5 M (see chart below). The reduction is reflective of the 3-month difference between the beginning of the State fiscal year versus the Federal fiscal year. ECSS provides a coordinated system of screening, evaluation and referral services and treatment for children ages 0 through 5-years and their families. $5,550,000 FY 12 Base budget (EOB) ($3,600,876) FY 13 HB 1 Original reduction $1,949,124 FY 13 HB 1 Original total $3,389,182 FY 13 HB 1 HAC amendment $5,338,306 FY 13 HB 1 Engrossed	$0	-$211,694	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Non-recurring funding from the Community & Family Support System Fund (Statutory Dedication) in the Community-Based Program for 18 one-year restricted job appointments (temporary) statewide to increase regional capacity to focus on Supports Intensity Scale (SIS)/LA PLUS assessment training needs, reviews and waiver approval processes and one-time expenditures for support and services to enable people to live more independently in the community. Proceeds from the sale of Metropolitan Developmental Center were deposited into the Community & Family Support System Fund in FY 11 of $4,384,078. In FY 12, the agency expended the remaining $1,213,689 balance of the Community & Family Support System Fund. Therefore, in FY 13, the funding was non-recurred. FY 11 Appropriation $4,384,078 FY 11 Actuals ($3,170,389) FY 12 Appropriation $1,213,689 FY 12 Projected Expenditures ($1,213,689) Balance $0	$0	-$1,213,689	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduction of $127,728 in SGF and elimination of a Program Manager position in the Administration Program. This will result in a reduction of $91,855 in salaries and $35,873 in related benefits associated with the eliminated position.	-$127,728	-$127,728	-1

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduction of $760,000 in funding ($160,000 SGF and $600,000 Title 19 Medicaid IAT) and the elimination 20 non-T.O. positions (temporary workers and student workers) in the Community-Based Program ($160,000) as well as at Pinecrest Supports & Services Centers ($600,000). This will result in a reduction of $150,000 in salaries and $10,000 in related benefits. Eliminated Positions / Number / Program Specialty Student positions (10) Pinecrest Psychology Interns (4) Pinecrest Nurses (job appointments) (3) Pinecrest Project Coordinator (1) Community-Based Contract Reviewer 4 (1) Community-Based Admin. Program Specialist (1) Community-Based	-$160,000	-$760,000	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduction of $28,928,373 in Title 19 Medicaid IAT funding and the elimination of 620 positions as a result of the privatization of North Lake Supports & Services Center (SSC). According to DHH/OCDD, a few organizations have expressed interest in entering into a cooperative endeavor agreement (CEA) to operate North Lake SSC. Presently, there are 243 residents at North Lake SSC. OCDD anticipates that a CEA would authorize the use of 214 of its existing licensed funded beds to a private provider. Cost savings from the privatization of North Lake SSC are anticipated based on the difference between the Medicaid public reimbursement rate for the state-operated North Lake SSC ($687.26) versus the negotiated Medicaid private reimbursement rate with a private provider. OCDD projects that the Medicaid private reimbursement rate will be less than the current Medicaid public reimbursement at North Lake. Presently, the estimated private provider Medicaid rate is $208.49.	$0	-$28,928,373	-620
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduction of $16,436,000 in Title 19 Medicaid IAT funding and the elimination of 360 positions as a result of the privatization of Northwest Supports & Services Center (SSC). According to DHH/OCDD, a few organizations have expressed interest in entering into a cooperative endeavor agreement (CEA) to operate Northwest SSC. Presently, there are 137 residents at Northwest SSC. OCDD anticipates that a CEA would authorize the use of 128 of its existing licensed funded beds to a private provider. Cost savings from the privatization of Northwest SSC are anticipated based on the difference between the Medicaid public reimbursement rate for the state-operated North Lake SSC ($543.27) versus the negotiated Medicaid private reimbursement rate with a private provider. OCDD projects that the Medicaid private reimbursement rate will be less than the current Medicaid public reimbursement at North Lake SSC. Presently, the estimated private provider Medicaid rate is $208.49.	$0	-$16,436,000	-360

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	A reduction of $127,990 in Title 19 Medicaid IAT funding and the elimination of 2 positions as a result of the privatization of the Foster Grandparent Program effective 7/1/2012. The purpose of the Foster Grandparent Program is to enable low-income senior citizens to supplement their income in a meaningful way by providing volunteer service, one-on-one interaction to special needs children that provides a family type relationship thus enhancing socialization and quality of life for the children. The Foster Grandparent Program provides foster grandparents to 108 residents at Pinecrest and stipends to 75 foster grandparents who participate in the programs. This will result in a reduction of $99,992 in salaries and $27,998 in related benefits.	$0	-$127,990	-2
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	A reduction of $850,232 in Title 19 Medicaid IAT funds and elimination of 13 positions as a result of the streamlining of the Quality Management/Improvement Section at Pinecrest Supports & Services Center. The services administered by the Quality Management/Improvement Section are required by various regulatory agencies and to ensure compliance with statutory requirements will be assigned to other sections such as maintenance, nursing, and health information. Only one positions will remain in the Quality Management/Improvement Section to provide oversight. This will result in a reduction of $664,243 in salaries and $185,989 in related benefits.	$0	-$850,232	-13
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduction of $71,774 in Title 19 Medicaid IAT funding and elimination of 3 positions in the Housekeeping Section at Pinecrest Supports & Services Center (SSC) as a result of a re-organization/restructure of the facility. This will result in a reduction of $56,493 in salaries and $15,281 in related benefits. A total of 24 housekeeping and janitorial positions remain after the reduction.	$0	-$71,774	-3
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduction of $3,766,725 in Title 19 Medicaid IAT funding and elimination of 74 positions at Pinecrest Supports & Services Center (SSC) as a result of a re-organization/restructure of the facility. The re-organization/restructure is to re-align the staffing patterns to be consistent with the current size of the facility and a more appropriate ratio of staff to resident. The reduction in positions are primarily non-direct support positions. This will result in a reduction of $2,942,781 in salaries and $823,984 in related benefits.	$0	-$3,766,725	-74
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Reduction of $180,508 in IAT funding from Medicaid Vendor Payments and elimination of 9 Social Service Counselors positions in the Social Services Section at Pinecrest Supports & Services Center (SSC). The original source of the IAT revenue is SGF. Functions and duties currently performed by the Social Services staff will be assumed by the Active Treatment Section staff. Although the total reduction is $499,746 ($180,508 SGF and $319,238 Federal) for the associated elimination of 9 Social Service Counselors ($390,426 in salaries and $109,320 in related benefits), only $180,508, which represents partial year of savings in FY 13, was removed from the agency's budget.	$0	-$180,508	-9
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	HAC amendment reduces $146,181 of SGF in the Community-Based Program for Vocational Habilitation Services. Vocational Habilitation Services will continue to be provided with Title 19 Medicaid IAT funds. Vocational Habilitation Services assists a child with achieving developmental skills when impairments have caused delaying or blocking of initial acquisition of the skills. Habilitation can include cognitive, social, fine motor, gross motor, or other skills that contribute to mobility, communication, and performance of activities of daily living and enhance quality of life.	-$146,181	-$146,181	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	HAC amendment reduces $325,616 of SGF and eliminates 2 non-T.O. positions in the Administration & General Support Program ($275,616) and and 6 T.O. positions in the Community-Based Program ($50,000). This will result in a reduction of $218,595 in salaries, $57,021 in related benefits, and $50,000 in other compensation. Eliminated Positions / Number / Program Administrative Specialist (non-T.O.) (1) Administrative & General Support Project Director (non-T.O.) (1) Administrative & General Support Program Manager 1 (T.O.) (1) Community-Based Community Services Professionals (T.O.) (2) Community-Based Program Monitors (T.O.) (3) Community-Based	-$325,616	-$325,616	-6
			Major Reductions for Health & Hospitals	**-$147,751,679**	**-$613,728,291**	**-1,487**
10 -360	Children & Family Services	Children & Family Services	Non-recurring $41 M of Federal stimulus funding in the Prevention & Intervention Program. The source of the Federal funds is the TANF Emergency Funds from the American Recovery & Reinvestment Act (ARRA). In FY 11, the department received a total TANF Emergency ARRA allotment of $81.9 M that would expire in FY 13. In FY 12, $40.5 M of TANF Emergency funds were sent to the Department of Education for LA-4 as a means of financing substitution to mitigate the loss of SGF. TANF Emergency funds expire in FY 13.	$0	-$41,000,000	0
10 -360	Children & Family Services	Children & Family Services	Non-recurring $145,413 of IAT funding in the Prevention & Intervention Program from Office of Behavioral Health (OBH) within the Department of Health & Hospitals (DHH). The source of IAT funding is an original award amount of $8,253,954 from British Petroleum (BP) Exploration & Production, Inc. in FY 11 to provide behavioral health services to LA residents impacted by the Deepwater Horizon Event. Within the department, the funds from BP were used for training and counseling services related to treatment of domestic violence.	$0	-$145,413	0
10 -360	Children & Family Services	Children & Family Services	Non-recurring $17,027,012 of Federal funds in Prevention & Intervention Program ($2 M), Community & Family Services Program ($13 M), and Field Services Program ($2,027,012). The source of Federal funds is Supplemental Temporary Assistance for Needy Families (TANF) Block Grant. As a result of the U.S. Congress not renewing the Supplemental TANF Block Grant, the Department of Children & Family Services (DCFS) is reducing the following TANF programs: Kinship Care Subsidy Program - $5.2 M Modernization & Administration - $3.6 M Strategies to Empower People Program (STEP) - $3.6 M Child Protection Investigations & Family Services - $2,027,012 Families in Need of Services - $1.5 M Microenterprise Development & Individual Development Accounts - $1.1 M	$0	-$17,027,012	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
10 -360	Children & Family Services	Children & Family Services	Reduces $43,575,686 of Federal funds from the Prevention & Intervention Program ($10 M), Community & Family Services Program ($21,575,686), and Field Services Program ($12 M) to reduce excess budget authority. In prior fiscal years, as federal grant funding decreased, the budget authority was never reduced. This adjustment realigns federal budget authority with federal revenues. No services are impacted.	$0	-$43,575,686	0
10 -360	Children & Family Services	Children & Family Services	Annualization of $465,889 in SGF in the Prevention & Intervention Program ($233,500) and the Community & Family Services Program ($232,389) as a result of Executive Order BJ 2011-25 mid-year reduction.	-$465,889	-$465,889	0
10 -360	Children & Family Services	Children & Family Services	Reduces $700,000 SGF in the Community & Family Services Program for the Child Support Enforcement Program for District Attorney contracts. The Department of Children & Family Services (DCFS), Child Support Enforcement (CSE) Division has contracted with 40 of the 42 District Attorneys in LA to provide child support enforcement services such as establishment of paternity and the establishment, enforcement, collection and distribution of all child support payments. In FY 13, the total amount for District Attorney contracts is $20,441,940 ($6,488,260 SGF and $13,953,680).	-$700,000	-$700,000	0
10 -360	Children & Family Services	Children & Family Services	HAC amendment reduces $250,000 of SGF in the Administrative & Executive Support Program for the 211 LA-HELP-U toll free telephone number. The 211 LA-HELP-U is operated by the United Way as part of a contract with the Department of Children & Family Services (DCFS). The toll free number is primarily used by United Way during disasters. Although all the funding from DCFS has been removed, the toll free telephone number is still active. United Way will continue to support and operate the toll free telephone number.	-$250,000	-$250,000	0
10 -360	Children & Family Services	Children & Family Services	HAC amendment reduces $1.5 M of SGF in the Prevention & Intervention Program in the Department of Children & Family Services (DCFS) for Early Day Treatment Program within the Office of Juvenile Justice (OJJ). DCFS notes that it will attempt to replace the SGF with Temporary Assistance to Needy Families (TANF) funds if such funds are available. Early Day Treatment services are anticipated at the same level.	-$1,500,000	-$1,500,000	0
			Major Reductions for Children & Family Services	**-$2,915,889**	**-$104,664,000**	**0**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 -431	Natural Resources	Office of Secretary	Reduce Federal funds due to fewer projects being funded with petroleum violation funds because resources were shifted to fund projects with American Recovery & Reinvestment Act funding. Petroleum violation funds originate from fines assessed energy companies.	$0	-$1,274,911	0
11 -431	Natural Resources	Office of Secretary	Eliminates Deputy Undersecretary position that is currently occupied by an incumbent and associated SGF ($156,286 for salary and related benefits). The agency is in the process of seeking Civil Service approval to lay off the incumbent in this position. This deputy undersecretary position is responsible for directing management and finance activities. Also eliminates SGF ($110,335 for salary and related benefits) for vacant Deputy Assistant Secretary position in the Office of Coastal Management that is being abolished.	-$266,621	-$266,621	-1
11 -431	Natural Resources	Office of Secretary	Non-recurring IAT revenue from Governor's Office of Homeland Security & Emergency Preparedness due to completion of the Mississippi River Flood Project.	$0	-$94,998	0
11 -431	Natural Resources	Office of Secretary	HAC amendment reduces $28,835,478 Federal funds from American Recovery & Reinvestment Act to reflect anticipated expenditures. Recommended ARRA funding totals $14.1 M in FY 13. FY 12 (Base) $42,962,031 FY 13 HAC Decrease ($28,835,478) FY 13 Total $14,126,553 **Note:** The Joint Legislative Committee on the Budget (JLCB) approved an April 2012 BA-7 in the amount of $19,004,346 of additional ARRA authority in FY 12. To the extent there are any ARRA funds unexpended at the end of FY 12, these funds will be carried forward into FY 13, which will be in addition to the $14.1 M already included in FY 13.	$0	-$28,835,478	0
11 -432	Natural Resources	Conservation	Eliminates SGF for salaries and related benefits for 3 filled positions (1 petroleum analyst & 2 mineral production analysts) and 1 vacant petroleum analyst supervisor position.	-$249,127	-$249,127	-4
11 -435	Natural Resources	Coastal Restoration & Management	Reduces IAT from Office of Coastal Protection & Restoration that provided for support services performed by the Office of Coastal Restoration & Management which included issuing permits and working with the Office of Coastal Protection & Restoration on all projects.	$0	-$92,463	0
11 -435	Natural Resources	Coastal Restoration & Management	Eliminates vacant and unfunded deputy assistant secretary position.	$0	$0	-1
			Major Reductions for Natural Resources	**-$515,748**	**-$30,813,598**	**-6**

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
12 -440	Revenue	Office of Revenue	This reduction in SGR is the anticipated cost savings due to elimination of postage and printing as the department transitions to a debit card for income tax refunds instead of issuance of a paper check. Since the first offering of debit cards is currently underway, it is not certain whether savings will materialize in the expected amount, especially since the paper check option is still available upon request.	$0	-$315,000	0
12 -440	Revenue	Office of Revenue	This reduction in SGR funding is related to the elimination of 10 positions from Tax Collection (4) and Alcohol & Tobacco Control (6). These are the same positions affected by the hiring freeze imposed during FY 12 and will all be classified positions. It is not certain at this time exactly which positions will be eliminated or whether they will be layoffs or vacant positions.	$0	-$855,144	-10
			Major Reductions for Revenue	**$0**	**-$1,170,144**	**-10**
13 -	Environmental Quality	Department Wide	An annualization of FY 12 mid-year reductions in Statutory Dedications ($2.6 M) from the Environmental Trust Fund (ETF) and the elimination of 14 positions. The reduction for the department was $3,158,116 in ETF, along with 20 positions transferred to Unallotted. The FY 13 annualized reductions are as follows:	$0	-$2,622,418	-14

Category	Office of Sec.	Envirn. Comp.	Envirn. Svcs	Mgmt. & Fin.	Total
Personnel	($178,352)	($315,568)	($633,016)	$0	($1,126,936)
Travel	($30,000)	$0	($50,000)	($40,000)	($120,000)
Operating Svcs	$0	($95,000)	($50,000)	$0	($145,000)
Supplies	($35,000)	($90,000)	($40,000)	($260,482)	($425,482)
Professional Svcs	$0	($360,000)	$0	($400,000)	($760,000)
IAT	$0	($15,000)	($30,000)	$0	($45,000)
Total by Agency	($243,352)	($875,568)	($803,016)	($700,482)	($2,622,418)
T.O. Reduced	(2)	(4)	(8)	0	(14)

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
13 -851	Environmental Quality	Environmental Compliance	Reduction in non-recurring Federal funds for the evaluation and remediation of underground storage tanks (UST) impacted by hurricanes Katrina and Rita through the Gulf of Mexico Hurricanes Supplemental Funding for the Leaking Underground Storage Tank Program. Funding is used to provide site assessments at UST sites where releases have occurred and the responsible party is unknown, unwilling or unable to respond. DEQ employs contractors for assessment and remediation services to the affected sites. There is $2 M in remaining contract obligations for FY 13.	$0	-$3,000,000	0
13 -851	Environmental Quality	Environmental Compliance	Non-recurring Federal funds for expenditures associated with hurricane demolition monitoring. The funding was received by DEQ from the LA Land Trust (LLT) which allowed the department to continue a contract to monitor demolitions and hazardous waste disposal facilities in hurricane affected areas. The contractor's tasks involve evaluating demolition activities for compliance with regulatory requirements and the handling and disposal of demolition debris in landfills for compliance with each landfill's permit. The LLT is a nonprofit organization formed to manage the properties that have been purchased by the state under the Road Home Program as part of the recovery effort from hurricanes Katrina and Rita in 2005.	$0	-$354,543	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
13 -855	Environmental Quality	Management & Finance	Reduces Statutory Dedications funding from the Waste Tire Management Fund to match projected revenue based on historical revenues. The highest collection amount in the past 3 fiscal years was $10.6 M. The FY 13 expected revenue is $11.1 M and FY 13 expenditures are anticipated to be $10.8 M.	$0	-$700,000	0
			Major Reductions for Environmental Quality	**$0**	**-$6,676,961**	**-14**
14 -474	Workforce Commission	Workforce Support & Training	This reduction in IAT appropriation is due to federal cuts to the LA Employment Assistance Program (LEAP) provided to the Department of Children & Family Services. The LA Workforce Commission implements the program, which was funded in FY 12 at $4,830,990. After this reduction, the LEAP will be funded at $2,592,047 for FY 13. However, the FY 11 actual expenditures were $2,634,089. The LEAP helps transition participants from government programs to self-sufficiency by assisting with attainment and retention of employment.	$0	-$2,238,943	0
			Major Reductions for Workforce Commission	**$0**	**-$2,238,943**	**0**
16 -512	Wildlife & Fisheries	Office of Secretary	Non-recurring Federal funds for grant funding pursuant to a Joint Enforcement Agreement that allowed the enforcement division to have a greater enforcement presence offshore and inland. The Joint Enforcement Agreement is to facilitate the operations, administration and funding of the law enforcement division to enforce federal laws and regulations under the Magnuson-Stevens Fishery Conservation & Management Act and the Lacey Act. These funds enabled the state to aid the federal government in fishery conservation and management activities. The National Oceanic & Atmospheric Administration has the authority under these 2 Acts to utilize the personnel, services, equipment, and facilities of state agencies on a reimbursable basis or otherwise.	$0	-$1,109,554	0
16 -512	Wildlife & Fisheries	Office of Secretary	Non-recurring IAT funding from the Governor's Office of Homeland Security & Emergency Preparedness to the Enforcement Program. The original source of funds is from a one-time Department of Homeland Security Maritime Response Grant for a cooperative endeavor agreement to provide training, supplies, and equipment for a maritime special response team. The team was composed of wildlife agents and state police. State police trained wildlife agents in SWAT training and wildlife agents train state police in boat crewmenship. This enabled the team to respond to emergencies on the water.	$0	-$281,347	0
16 -512	Wildlife & Fisheries	Office of Secretary	Non-recurring federal funding in the amount of $1,176,194 related to a Port Security Grant from the U.S. Department of Homeland Security/FEMA. The grant allows the Enforcement Division to enhance the state's port and maritime infrastructure to prevent, protect, respond to, and recover from threats or acts of terrorism. HAC amendment provided $300,565 for FY 13 allocation of the grant, leaving a reduction of $875,629 from the original reduction of $1,176,194.	$0	-$875,629	0
16 -514	Wildlife & Fisheries	Office of Fisheries	Adjustment to reduce excess Federal budget authority to reflect the actual projected expenditures within the Office of Fisheries. This reduction is attributable to the continuing disbursement of available hurricane disaster assistance for the fisheries industry participants. Approximately $37 M remains in HB 1 for this purpose.	$0	-$19,502,275	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
16 -514	Wildlife & Fisheries	Office of Fisheries	Adjustment to align Public Oyster Ground Development Fund expenditures in the Fisheries Program with projected revenues. Revenues are derived from payments made by oil and gas companies for impacts to public oyster seed grounds. The amounts billed for each project vary greatly depending on the size and scope of the projects, as well as the locations. After this adjustment, the budget authorization for the Public Oyster Ground Development Fund in FY 13 is $2,447,327.	$0	-$966,973	0
16 -514	Wildlife & Fisheries	Office of Fisheries	Adjustment to align Aquatic Plant Control Fund expenditures in the Fisheries Program with projected revenues. Revenues are derived from an annual fee of $3.25 per boat trailer registered with the Office of Motor Vehicles. These revenues fluctuate depending on the number of people registered. After this adjustment, the budget authorization for the Aquatic Plant Control Fund in FY 13 is $500,000.	$0	-$160,000	0
			Major Reductions for Wildlife & Fisheries	**$0**	**-$22,895,778**	**0**
19A-	Higher Education	HIED	The FY 13 Executive Budget transfers all SGF appropriations for higher education from management boards and institutions to the Board of Regents ($1,085,045,872 SGF and 27,560 positions). The corresponding increase for Regents is $1,057,851,096, or $27,194,776 less SGF than the amounts transferred from the boards and institutions. The Division of Administration claims to offset this loss of $27,194,776 in SGF in the FY 13 Executive Budget by increases in SGR from the following sources: 1) $1,249,179 from tuition increases at LSU Medical Schools in New Orleans and Shreveport based on the passage of Act 297 (HB 628) of the 2011 Regular Session; 2) $1,789,647 from tuition increases at the LA Community & Technical College System (LCTCS) institutions based on the passage of Act 196 (HB 526) of the 2011 Regular Session; and 3) $23,655,950 in SGR from various sources, including fees charged for services and additional tuition revenue based on student enrollment increases. The net decrease in SGF revenues from this means of finance swap after adding the tuition and SGR mentioned above is $500,000. The impact of the $27.2 M decrease, or the $500 K decrease after including SGR, is unknown because Regents has not developed a formula to allocate such reductions to specific management boards and institutions. Furthermore, affected boards and institutions need more time to develop specific plans in response to this budget reduction.	-$27,194,776	-$500,000	0
19A-600	Higher Education	LSU System	Reduces IAT associated with Upper Payment Limit (UPL) payments due to the implementation of Bayou Health associated with the LSU Health Sciences Center at Shreveport, E. A. Conway Medical Center, and H. P. Long Medical Center. This adjustment reduces UPL payments from DHH to state hospitals because Bayou Health will allow LA citizens enrolled in Medicaid and LaCHIP to receive health care services from the following 5 statewide health plans available through Bayou Health: Amerigroup, Community Health Solutions, LaCare, Louisiana Healthcare Connections, and United Healthcare Community Plan.	$0	-$3,947,998	0
19A-600	Higher Education	LSU System	Non-recur the formula enhancement at LSU-Alexandria for public post-secondary institutions that experienced a 3% or greater reduction in SGF allocated by the cost component of the funding formula for FY 12.	-$153,549	-$153,549	0

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Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A-600	Higher Education	LSU System	Decreases IAT budget authority for E. A. Conway Medical Center for funds to be received from the Department of Health & Hospitals. This decrease in funds is the summation of adjustments related to the following items: loss of Federal funds due to the Disproportionate Share (DSH) audit rule (-$1,146,550), decreased Federal Upper Payment Limit (UPL) funds (-$19,355,904), additional Federal Uncompensated Care (UCC) payments ($3,018,989), and increases in payments attributable to newly created Statewide Management Organizations (SMOs) ($914,986).	$0	-$16,568,479	0
19A-615	Higher Education	SU System	Elimination of funding for the Honore Center for Undergraduate Achievement at Southern University at New Orleans. The Honore Center, originally planned to begin operations in January 2012, would assist African American male high school graduates who do not meet the current admissions standards for Southern University at New Orleans. Participants would have first completed a 2-year associate degree program in New Orleans through the Southern Shreveport campus (SUSLA). After completing the associates degree, program participants would continue their studies receiving a bachelor's degree at SUNO with certification to teach at the elementary school level. The reduction eliminates funding for this program.	-$500,000	-$500,000	0
19A-615	Higher Education	SU System	Non-recur the formula enhancements at Southern University New Orleans ($171,185), Southern University Shreveport ($129,317), and the Southern University Ag Center ($602,019) for public post-secondary institutions that experienced a 3% or greater reduction in SGF allocated by the cost component of the funding formula for FY 12.	-$902,521	-$902,521	0
19A-620	Higher Education	UL System	Elimination of funding for the LA Center for Women & Government at Nicholls State University. The LA Center for Women & Government at Nicholls State University encourages and promotes the leadership of women by providing resources and non-partisan support through educational workshops, training seminars and outreach programs. Loss of this $225,000 appropriation will result in closing the Center at Nicholls.	-$225,000	-$225,000	0
19A-620	Higher Education	UL System	Non-recur the formula enhancements at Grambling University ($322,965) and Southeastern University ($733,221) for public post-secondary institutions that experienced a 3% or greater reduction in SGF allocated by the cost component of the funding formula for FY 12.	-$1,056,186	-$1,056,186	0
19A-649	Higher Education	LCTCS System	Non-recur the formula enhancement at LA Delta Community College for public post-secondary institutions that experienced a 3% or greater reduction in SGF allocated by the cost component of the funding formula for FY 12.	-$87,744	-$87,744	0
19A-661	Higher Education	Student Financial Assistance	Eliminates funding for the Early Start Program administered by the LA Office of Student Financial Assistance. The Early Start Program provides tuition assistance to eligible 11th and 12th grade students from public high schools that enroll in eligible college courses for dual credit at an eligible public or private college or university. Students must meet general eligibility requirements as well as course requirements to enroll in college level, degree credit courses, enrichment/developmental courses or workskills/technical courses. This adjustment eliminates all funding for the Early Start Program. In the Fall 2011 term, 11,093 students participated in Early Start, earning 32,569 credit hours.	-$5,500,000	-$5,500,000	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A-671	Higher Education	Board of Regents	Non-recurring SGF provided to the Board of Regents for operation and maintenance of the LA Library Network (LOUIS). The Board of Regents will pass this reduction on to campuses participating in LOUIS. Campuses that cannot afford the additional fees will drop out of LOUIS and the LOUIS fees for the remaining campus fees will increase.	-$500,000	-$500,000	0
19A-671	Higher Education	Board of Regents	Eliminates all state funding provided to the Board of Regents for the LA Endowment for the Humanities. LA Endowment for the Humanities programs affected by the budget reduction include the LA Cultural Vistas Magazine and KnowLA: The Digital Encyclopedia of LA History & Culture. With this reduction, the LA Endowment for the Humanities would eliminate or significantly reduce the funding for these 2 programs.	-$500,000	-$500,000	0
19A-671	Higher Education	Board of Regents	Annualization of FY 12 mid-year reduction plan (Executive Order BJ 2011-25). The impact of this reduction is unknown because the Board of Regents has not developed a formula to allocate this reduction to specific management boards and institutions. Furthermore, affected boards and institutions need more time to develop specific plans in response to this budget reduction.	-$50,000,000	-$50,000,000	-141
19A-671	Higher Education	Board of Regents	SGF reduction to higher education due to lower REC forecast adopted on 4/24/12. HB 1 authorizes and directs the commissioner of administration to reduce the SGF appropriation for higher education management boards and institutions by $50,000,000.	-$50,000,000	-$50,000,000	0
			Major Reductions for Higher Education	**-$136,619,776**	**-$130,441,477**	**-141**
19B-653	Special Schools & Comm.	LA Schools for the Deaf & Visually Impaired	Reduction of $92,500 in SGF in the Administration & Shared Services Program due to 8(g) Academic/Vocational Grant match not being utilized in FY 13. The LA School for the Deaf & Visually Impaired (LSDVI) are not required to provide state match funds for the 8(g) Academic/Vocational Grant.	-$92,500	-$92,500	0
19B-657	Special Schools & Comm.	LA School for Math, Science, & the Arts	A decrease of $47,695 in IAT funds from the Minimum Foundation Program (MFP) based on the LA School for Math, Science & the Arts student count. Though traditionally, the LA special schools have not been a part of the MFP, by Act 656 of 2010, the LSDVI become part of the MFP formula starting in FY 12.	$0	-$47,695	0
19B-662	Special Schools & Comm.	LA Educational Television Authority	Non-recurring SGF funding in the Broadcasting Program as a result of completed LEAF payments.	-$299,973	-$299,973	0
19B-666	Special Schools & Comm.	State Board of Elementary & Secondary Education	Annualization of FY 12 mid-year reductions. BESE had a $10,000 mid-year reduction in expenditures for replacement equipment, supplies and computers.	-$10,000	-$10,000	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19B-666	Special Schools & Comm.	State Board of Elementary & Secondary Education	Savings generated due to an elimination of out of state travel ($10,000); and a reduction of in state travel ($3,100); the elimination of funding for the National Association of State Board of Education dues ($15,923); and the elimination of funding for professional services for legal services and for teacher appeals that is being handled by the Attorney General's Office and for the redesign of the BESE website that will be handled internally ($12,514).	-$41,537	-$41,537	0
			Major Reductions for Special Schools & Comm.	**-$444,010**	**-$491,705**	**0**
19 -678	Elem. & Secondary Educ.	State Activities	Annualization of FY 12 mid-year reduction plan. The State Activities agency reduced $75,000 from supplies and $164,168 from personal services contracts based on anticipated utilization. These reductions will not affect services in FY 13.	-$239,168	-$239,168	0
19 -678	Elem. & Secondary Educ.	State Activities	The Department of Education reduced funding from the following: both Table of Organization positions (41) and non-Table of Organization positions (10) and associated funding, personal services, other compensation, travel, professional services, other charges and supplies. The following reductions were made: Executive $389,980 and 3 positions; OMF $342,634 and 6 positions; Departmental Support $2,454,448 and 15 positions; Innovation Program $1,531,463 and 2 positions; and Student Centered Goal Office $2,697,475 and 15 positions. As of 2/20/2012 the State Activities agency had 56 vacancies.	-$7,416,000	-$7,416,000	-41
19 -678	Elem. & Secondary Educ.	State Activities	Annualization of Executive Order BJ 2011-12 Hiring Freeze. The State Activities agency had a FY 12 mid-year savings of $180,000 SGF from freezing 6 vacant positions. The annualization of this mid-year reduction includes a reduction of $272,626 in IAT and $113,374 in Federal funds associated with these positions. As of 2/20/2012 the State Activities agency had 56 vacancies.	-$180,000	-$566,000	-6
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Non-recurs federal budget authority for the following: Title I, Part A ARRA - $74,522,676; Title II Part D Enhancing Education through Technology $6,000,000; Individuals with Disability Education Act (IDEA) Preschool, Section 619 ARRA $4,780,141; IDEA Part B Section 611 ARRA $108,607,822; and the Homeless Children and Youth ARRA $662,622. The districts had until September 2011 to make expenditures related to their ARRA awards.	$0	-$194,573,261	0
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Annualization of FY 12 mid-year reduction plan. This reduction is a result of fewer educators participating in the Professional Improvement Program (PIP). The PIP budget for FY 13 is $9,108,007 with 5,657 participants down from approximately 6,400.	-$400,000	-$400,000	0
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Decrease of $5,809,033 in the Education Excellence Fund based on Revenue Estimating Conference projections. The source of the Education Excellence Fund is from one-third of the Millenium Trust funds received as a result of the Master Settlement Agreement.	$0	-$5,809,033	0
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	Annualization of FY 12 mid-year reduction of $245,000 in the School Choice Pilot Program funding. The funding was reduced to a level of anticipated utilization for the remainder of the fiscal year. The budget for the program is now $405,000. There are 40 students that previously attended public schools and 146 students that previously attended private schools participating in the program in FY 12.	-$245,000	-$245,000	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19 -682	Elem. & Secondary Educ.	Recovery School District	Savings generated from the inclusion of the Recovery Service District into the state risk pool for insurance.	-$7,287,471	-$7,287,471	0
19 -697	Elem. & Secondary Educ.	Non-public Education Assistance	Annualization of FY 12 mid-year reduction plan. The funding for the textbook program was reduced to a level of anticipated utilization for the remainder of the fiscal year. The total budget for FY 13 is $3,031,805.	-$116,000	-$116,000	0
19 -699	Elem. & Secondary Educ.	Special School Districts	Annualization of Executive Order BJ 2011-12 Hiring Freeze. The Special School District agency had a freeze of $129,429 SGF from freezing 2 vacant positions. As of 2/20/2012 the Special School District agency had 28 vacancies.	-$129,429	-$162,566	-2
			Major Reductions for Elem. & Secondary Educ.	**-$16,013,068**	**-$216,814,499**	**-49**
19E-610	LSU Health Care Services Division	LSU HSC-HCSD	Reduction in IAT from the Department of Health & Hospitals associated with Supplemental Medicaid Upper Payment Limit (UPL) payments due to the implementation of Bayou Health at E. A. Conway (EAC). In FY 12, $42.3 M in UPL payments were funneled through EAC to the HCSD hospitals in order to offset the loss of Disproportional Share Hospital (DSH) payments as a result of the Federal DSH audit rule implemented in LA in 2010. This adjustment reduces UPL payments to state hospitals because Bayou Health will allow LA citizens enrolled in Medicaid and LaCHIP to receive health care services from the following five statewide health plans available through Bayou Health: Amerigroup, Community Health Solutions, LaCare, LA Healthcare Connections, and UnitedHealthcare Community Plan. The following corresponding IAT reductions are being implemented at each hospital: Medical Center of LA-NO ($4,728,044) E.K. Long ($1,973,999) University Medical ($1,639,693) W.O. Moss ($716,371) Lallie Kemp ($636,774) Washington-St. Tammany ($780,048) L.J. Chabert ($1,496,419) **Total ($11,971,348)**	$0	-$11,971,348	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19E-610	LSU Health Care Services Division	LSU HSC-HCSD	Hospital-wide T.O. reduction based on mid-year reduction plan submitted by LSU on 1/13/2012. Of the positions reduced in FY 12, 276 were from reductions in the base budget made during the budgetary process, and only a reduction of an additional 324 positions is needed to annualize the number of position reductions at HCSD from its mid-year reduction plan in FY 12. As such, the 600 reduction in FY 13 reduces 276 more positions than the annualized amount. LSU and the Office of Planning & Budget (OPB) will determine any adjustments as needed during the budgetary process. In addition, all funding tied to the 600 positions was reduced from HCSD's base budget in FY 12 ($62,456,690); therefore, no funding has been reduced in FY 13. Reductions by program/hospital are below. Administration (13) Medical Center of LA-NO (195) E.K. Long (99) University Medical (89) W.O. Moss (40) Lallie Kemp (21) Washington-St. Tammany (77) L.J. Chabert (66)	$0	$0	-600
			Major Reductions for LSU Health Care Services Division	**$0**	**-$11,971,348**	**-600**
20 -452	Other Requirements	Local Housing of State Juvenile Offenders	Reduces funding to Local Housing of Juvenile Offenders through the annualization of FY 12 mid-year reductions ($500,000) and through reduced census counts ($704,000) for payments to non-state facilities for youth adjudicated to the Office of Juvenile Justice. There is a decrease in the number of juveniles being housed in local facilities. Since the beginning of FY 12, the average daily census has decreased from 227 in July 2011 to 212 in November 2011. The cost per day to house juveniles in local facilities is $106.70 for youth pending secure care and $24.39 for youth pending nonsecure care.	-$1,204,000	-$1,204,000	0
20 -901	Other Requirements	State Sales Tax Dedications	This adjustment in Statutory Dedications reductions occurs in various local funds to more closely match anticipated revenue. The funds consist of revenue generated from local hotel/motel sales tax. The specific reductions are for Claiborne Parish Tourism Economic Development Fund, which is inactive ($10,000), Shreveport-Bossier Convention & Tourist Bureau ($200,000), Iberville Parish Visitor Enterprise Fund ($300,000), and St. Mary Parish Visitor Enterprise Fund ($485,000).	$0	-$995,000	0
20 -933	Other Requirements	Governor's Conference & Interstate Compacts	Annualization of the FY 12 mid-year deficit reduction plan that reduced the Governor's Conference & Interstate Compacts budget by $40,000 SGF ($15,431 - Executive Order and $24,569 - JLCB) for dues associated with the Southern Governor's Association (SGA). The FY 12 dues are $40,000, which will not be paid in FY 12 due to this SGF reduction. Although LA is not paying SGA dues in FY 12, SGA will allow LA to remain a member, but will not allow any leadership opportunities within the organization.	-$40,000	-$40,000	0
20 -945	Other Requirements	State Aid to Local Govt. Entities	Non-recurring Statutory Dedications funding from the Evangeline Parish Recreational District Support Fund which is inactive.	$0	-$237,500	0

Major Reductions in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 -950	Other Requirements	Special Acts/Judgments	Reduces one-time non-recurring funding ($75,241 SGF and $18 M in Statutory Dedications from the Overcollections Fund) for judgments.	-$75,241	-$18,075,241	0
			Major Reductions for Other Requirements	**-$1,319,241**	**-$20,551,741**	**0**
			Major Reductions of FY 2013	**-$425,581,314**	**-$1,621,989,817**	**-3,274**

MOF Swaps

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
01 -111	Executive	Homeland Security & Emergency Prep	MOF substitution that reduces SGF in the amount of $70,669 and increases SGR in a like amount due to higher revenues to be generated per a new agreement between GOHSEP and 3 nuclear facilities it services. According to the agency, GOHSEP has an updated 40-year agreement with Waterford 3, Riverbend and Grand Gulf to coordinate training, disaster exercises, response plans and calibrate radiation detection equipment.	-$70,669	$0	0
01 -111	Executive	Homeland Security & Emergency Prep	Reallocation of 2 filled T.O. positions to federally funded Non-T.O. FTE positions within the Disaster Recovery Section of the agency. This adjustment replaces $78,609 SGF with federal budget authority. These federally funded positions are not actually being eliminated and are still within the agency. For FY 13, the agency will have 82 T.O. positions and 317 non-T.O. FTEs.	-$78,609	$0	-2
			Major MOF Swaps for Executive	**-$149,278**	**$0**	**-2**
03 -130	Veterans' Affairs	Dept. Veterans' Affairs	SGF will be replaced by Federal funds due to increased Federal VA reimbursements of burial allowance for funerals. Burial allowance increased from $300 to $700 per burial on 10/1/2011. The funds will be used for approximately 625 burials at the new cemetery in Vernon Parish.	-$250,000	$0	0
			Major MOF Swaps for Veterans' Affairs	**-$250,000**	**$0**	**0**
04a-139	State	Secretary of State	Means of financing substitution replacing $1,625,780 SGF with a like amount of SGR. The agency is projecting increased collections of SGR from fees charged by the Commercial Program.	-$1,625,780	$0	0
			Major MOF Swaps for State	**-$1,625,780**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04b-141	Justice	Attorney General	Means of financing substitution reducing Federal funds and increasing SGF by a like amount in the Criminal Law Program. The original source of federal funding is from the Internet Crimes Against Children Task Force Program Grants Program through the U.S. Department of Justice - Office of Juvenile Justice & Delinquency Prevention. The increase in SGF and positions will continue funding salaries and related benefits for 2 investigators and 2 forensic investigators in the Internet Crimes Against Children Unit. The federal grant expires on 3/31/2012 and will be replaced with SGF. The positions were originally Non-T.O. FTEs and will be reallocated to the Authorized Table of Organzation.	$235,983	$0	4
			Major MOF Swaps for Justice	**$235,983**	**$0**	**4**
04d-147	Treasury	State Treasury	Means of financing substitution that reduces $189,598 SGR and increases IAT in a like amount due to budget realignment associated with the amount the department anticipates collecting from various state agencies for central banking services billings. State Treasury anticipates collecting $1,690,878 in billings from various state agencies of which $62,427 will be collected as SGR and $1,628,451 will be collected as IAT. Anticipated collections by agency are as follows: Division of Administration - $103,197; Secretary of State - $34,980; Attorney General - $11,810; Agriculture & Forestry - $21,183; Insurance - $23,420; DOTD - $7,086; Health & Hospitals - $42,193; Public Health - $16,006; Children & Family - $225,306; Probation & Parole - $54,105; Public Safety - $142,537; State Police - $42,153; Natural Resources - $15,750; Revenue - $779,427; Workforce Commission - $14,498; Wildlife & Fisheries - $65,440; Student Financial Assistance - $29,360; Office of Group Benefits - $53,228; and Risk Management - $9,199.	$0	$0	0
			Major MOF Swaps for Treasury	**$0**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
04f -160	Agriculture & Forestry	Agriculture & Forestry	Means of financing substitution replacing $966,337 SGF with a like amount of Statutory Dedications funding from the Pesticide Fund ($538,559) and Petroleum & Petroleum Products Fund ($427,778).	-$966,337	$0	0
			Major MOF Swaps for Agriculture & Forestry	**-$966,337**	**$0**	**0**
05 -251	Economic Development	Office of Secretary	MOF substitution replacing SGF with LA Economic Development (LED) Fund dollars for the FastStart Program. The LED Fund is filled with remittances equal to a certain reduction in vendor compensation that has been dedicated to economic development as well as by legislative appropriation.	-$536,386	$0	0
			Major MOF Swaps for Economic Development	**-$536,386**	**$0**	**0**
06 -264	Culture, Recreation & Tourism	State Parks	Means of financing substitution replacing SGF with Statutory Dedications funding from the State Park Improvement & Repair Fund for maintenance expenditures.	-$235,470	$0	0
06 -264	Culture, Recreation & Tourism	State Parks	Means of financing substitution replacing SGR with SGF for the operations at Forts Randolph and Buhlow State Historic Sites. Private funds were used in FY 12 and will not be available in FY 13.	$109,698	$0	0
			Major MOF Swaps for Culture, Recreation & Tourism	**-$125,772**	**$0**	**0**
07 -276	Transportation & Development	Engineering & Operations	Replaces SGR ($2,429,884) with IAT from the Office of Management & Finance by a like amount to continue bridge maintenance in lieu of the Crescent City Connection Division Bridge tolls which sunset 12/31/2012. The original source of the IAT is the Transportation Trust Fund - Regular. These funds will be utilized to maintain the CCCD Bridge and infrastructure as part of the state highway system.	$0	$0	0
			Major MOF Swaps for Transportation & Development	**$0**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
08B-418	Public Safety	Management & Finance	Means of finance swap exchanging $1.1 M in SGR (motor vehicle fees) for IAT budget authority in order to receive funds from the Office of State Fire Marshal ($956,792) and the Liquefied Petroleum Gas Commission ($151,541) for indirect costs associated with human resources, budgeting, finance, and information technology/data support. FY 13 will be the first year wherein the Fire Marshal and Liquefied Petroleum Gas Commission reimburse for indirect costs.	$0	$0	0
08B-419	Public Safety	State Police	Annualization of FY 12 mid-year reduction plan. Executes a means of finance swap exchanging $1,790,614 SGF for Statutory Dedications from the Transportation Trust Fund - Regular.	-$1,790,614	$0	0
08B-419	Public Safety	State Police	Means of finance swap exchanging $13.8 M Statutory Dedications for SGR (motor vehicle fees) for recurring expenditures. The Statutory Dedications are the Riverboat Gaming Enforcement Fund ($13.2 M) and the Tobacco Tax Health Care Fund ($639,440).	$0	$0	0
08B-419	Public Safety	State Police	Means of finance swap exchanging $17.6 M in SGR (motor vehicle fees) for Statutory Dedications - Transportation Trust Fund - Regular for recurring expenditures. The total TTF - Regular appropriation for the Office of State Police will rise to $45.9 M in FY 13 from $28.3 M in the existing operating budget.	$0	$0	0
08B-419	Public Safety	State Police	Means of finance swap exchanging $1,296,064 SGR (motor vehicle fees) for Statutory Dedications for recurring expenditures. The Statutory Dedications reduced are the Hazardous Materials Emergency Response Fund ($163,459), the Underground Damages Prevention Fund ($300,000), the Criminal Identification & Information Fund ($675,076), and the Public Safety DWI Testing, Maintenance & Training Fund ($157,529).	$0	$0	0
08B-420	Public Safety	Motor Vehicles	Means of finance swap exchanging $5.9 M Statutory Dedications from the Office of Motor Vehicles Customer Service & Technology Fund for SGR for recurring expenditures.	$0	$0	0
08B-422	Public Safety	State Fire Marshal	Means of finance swap exchanging $294,729 Statutory Dedications from the Fire Marshal Fund for SGR for recurring expenditures. This eliminates unfunded SGR budget authority within the Office of State Fire Marshal.	$0	$0	0
			Major MOF Swaps for Public Safety	**-$1,790,614**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

<table>
<tr><th>Sch. #</th><th>Dept.</th><th>Agency</th><th>Explanation</th><th>SGF</th><th>Total</th><th>T. O.</th></tr>
<tr><td>09 -</td><td>Health & Hospitals</td><td>Human Srvcs. Districts</td><td>The human service districts will operate as service providers under the new managed care model for behavioral health called the LA Behavioral Health Partnership (LBHP). The LBHP will utilize existing SGF in the participating agencies to draw down additional Federal match through a behavioral health Medicaid expansion. Six months of funding for the LBHP was appropriated in FY 12. In FY 13, the remaining 6 months of funding is being annualized by decreasing each participating district's SGF, which will then be used to generate the additional Federal match. Likewise, each district's SGR will increase for payments from the State Management Organization (SMO) for services provided. The MOF swaps by district are detailed below.
<table>
<tr><th></th><th>□SGF</th><th>SGR</th></tr>
<tr><td>Jefferson Parish Human Services Authority</td><td>($2,552,936)</td><td>$2,552,936</td></tr>
<tr><td>Florida Parishes Human Services Authority</td><td>($1,588,480)</td><td>$1,588,480</td></tr>
<tr><td>Capital Area Human Services District</td><td>($1,380,849)</td><td>$1,380,849</td></tr>
<tr><td>Metropolitan Human Services District</td><td>($1,353,322)</td><td>$1,353,322</td></tr>
<tr><td>South Central LA Human Services Authority</td><td>($1,453,828)</td><td>$1,453,828</td></tr>
<tr><td>Total</td><td>($8,329,415)</td><td>$8,329,415</td></tr>
</table>
</td><td>-$8,329,415</td><td>$0</td><td>0</td></tr>
<tr><td>09 -300</td><td>Health & Hospitals</td><td>Human Srvcs. Districts</td><td>A MOF swap to the human service districts increasing SGR and reducing IAT due to the LA Behavioral Health Partnership (LBHP). The LA Department of Health & Hospitals is contracting with Magellan Health Services, Inc. as the Statewide Management Organization (SMO) to administer behavioral health services to Medicaid patients. The decrease in IAT funds is attributable to Medicaid funds that DHH will no longer make to the human service districts for behavioral health services. As providers under the LBHP, the districts will instead receive self-generated payments from Magellan Health Service, Inc. for behavioral health services provided to Medicaid patients. The budget authority for this adjustment is included in FY 13 for the Metropolitan Human Services District and South Central LA Human Services District. MOF swaps by district are detailed below.
<table>
<tr><th></th><th>IAT</th><th>SGR</th></tr>
<tr><td>Jefferson Parish Human Services Authority</td><td>($1,227,956)</td><td>$1,227,956</td></tr>
<tr><td>Florida Parishes Human Services Authority</td><td>($1,070,960)</td><td>$1,070,960</td></tr>
<tr><td>Capital Area Human Services District</td><td>($1,437,980)</td><td>$1,437,980</td></tr>
<tr><td>Total</td><td>($3,736,896)</td><td>$3,736,896</td></tr>
</table>
</td><td>$0</td><td>$0</td><td>0</td></tr>
<tr><td>09 -305</td><td>Health & Hospitals</td><td>Medical Vendor Administration</td><td>Replaces one-time statutorily dedicated funding due to the lack of available funds with a like amount of SGF. The source of the Statutory Dedications funding is revenue from the New Opportunities Waiver Fund (NOW). Act 481 of 2007 created the NOW Fund. In any fiscal year, the State Treasurer is directed to deposit 12% of all recurring SGF revenue, not to exceed $50 M, as recognized by the Revenue Estimating Conference in excess of the Official Forecast at the beginning of the current fiscal year into the NOW Fund.</td><td>$234,299</td><td>$0</td><td>0</td></tr>
</table>

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces Federal funds ($10,744,767) with IAT ($6,357,364) and SGR ($4,387,403) related to the Low Income for the Needy Care Collaboration. This was placed into FY 11 budget at 72.54% for Private Providers. The Title XIX FMAP rate for 2013 is 71.38%. The UCC FMAP decreased from 63.61% in FY 11 to 61.24% in FY 13. The source of Federal funds is Title XIX federal financial participation. The source of SGR and IAT revenue is unknown. **Private Providers Program** IAT: $5,289,920; SGR: $3,084,847; Federal: ($8,374,767) **Uncompensated Care Program** IAT: $1,067,444; SGR: $1,302,556; Federal: ($2,370,000)	$0	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replace SGF with a like amount of Federal funds due to the Federal Medical Assistance Percentage (FMAP) rate change. The FMAP is increasing from 69.34% in FY 12 (blended rate) to 71.38% in FY 13 (blended). The source of Federal funds is Title XIX federal financial participation. The SGF impact in the various Medical Vendor Payment programs is reflected below. Private Providers $67,223,528 Public Providers $13,071,683 Buy-Ins $14,697,800 $94,993,011	-$94,993,011	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces Statutory Dedications funds from the Medical Assistance Trust Fund with a like amount of SGF. The source of Statutory Dedications is one-time revenues deposited into the Medical Assistance Trust Fund as per Act 378 for FY 12 expenditures in the Medicaid Program.	$3,322,026	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces Federal funds ($8,374,767) with IAT ($5,289,920) and SGR ($3,084,847) for the Low Income for the Needy Care Collaboration. This was placed into FY 11 budget at 72.54% for Private Providers and 63.61% for UCC. The Title XIX FMAP rate for Private Providers is 71.38% in FY 13.	$0	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces IAT ($1,276,404) with a like amount of Federal funds for the Greater New Orleans Community Health Connection to preserve primary and behavioral health care access restored and expanded after Hurricane Katrina with U.S. Department of Health & Human Services Primary Care Access & Stabilization Grant funds.	$0	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces SGR ($2,086,749) with a like amount of Federal funds for the Private Upper Payment Limit (UPL). The source of Federal funds is Title XIX federal financial participation. This was placed into the FY 12 budget at 69.34% and the Title XIX FMAP rate for FY 13 is 71.38%.	$0	$0	0

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces SGF ($12,136,786) with Statutory Dedications to maximize other revenue sources. The source of Statutory Dedication funding is revenue from the Health Excellence Fund. Revenues in the Health Excellence Fund are derived from earnings on LA's portion of the state tobacco settlements. Medicaid is appropriated revenues from the Health Excellence Fund for general Medicaid expenditures and LaChip expenditures. The increase in Statutory Dedications is based on a projected increase in earnings.	-$12,136,786	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces Federal funds from the Office of Behavioral Health with a like amount of SGF. The source of Federal funds is certified public expenditures (CPE's). These are considered one-time revenue source, as this revenue source is not anticipated to be available as a result of the implementation of the Behavioral Health Partnership. These revenues were used as a match source in the Private Providers Program.	$4,000,000	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces IAT reveneus with a like amount of SGF. The source of IAT represents one-time DHH agency over-collection revenues. These revenues were used as a state match source in FY 12 to draw federal financial participation for general Medicaid expenditures.	$3,922,390	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces excess American Recovery & Reinvestment Act (ARRA) funding earned in FY 11 but used in FY 12 ($4,595,612 Federal) with a like amount of SGF. The source of Federal funds is Title XIX federal financial participation. These funds were used as a state match source in the Private Providers Program.	$4,595,612	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces Statutory Dedications from the New Opportunity Waiver (NOW) Fund with a like amount of SGF due to the lack of available funds in the NOW Fund. These funds were appropriated in Medical Vendor Payments Program in FY 12 and used as a state match source in the Private Providers Program to fund recurring and new NOW slots. Act 481 of 2007 created the NOW Fund. In any fiscal year, the state treasurer is directed to deposit 12% of all recurring SGF revenue, not to exceed $50 M, as recognized by the Revenue Estimating Conference in excess of the Official Forecast at the beginning of the current fiscal year into the NOW Fund.	$11,174,264	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces Statutory Dedications with a like amount of SGF. The source of Statutory Dedication funding is one-time revenue deposited into the Medical Assistance Trust Fund (MATF). This means of finance swap reflects a net of multiple adjustments as reflected below. $440,285,956 One-time revenue deposited into the MATF for FY 12 for recurring expenditures $11,185,462 One-time revenue deposited into the MATF for FY 12 one time expenditures $451,471,418 Total MATF Funding in FY 12 $327,020,136 Total MATF appropriated for FY 13 ($440,285,956) Prior year MATF for recurring expenses ($113,265,820) One-time MATF revenue deposits requiring replacement in FY 13 **Note:** In FY 12, a portion of the MATF appropriation was used for certain one-time expenses, such as the 27th pay period funding, funding in public providers, and funding for Bayou Health lag expenses.	$113,265,820	$0	0

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces Statutory Dedications with a like amount of SGF. The source of Statutory Dedications funding is revenue from the Health Trust Fund. This adjustment is based on projected fund earnings.	$8,991,392	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	Replaces Statutory Dedications with a like amount of SGF. The source of Statutory Dedications funding is revenue from the LA Fund. Revenue from the LA Fund is derived from the tobacco settlement based on a predetermined formula of earnings (projected to decrease in FY 13), and money from the fund is appropriated as a state match source for the purpose of general Medicaid expenditures and LaCHIP expenditures.	$5,658,673	$0	0
09 -306	Health & Hospitals	Medical Vendor Payments	HAC amendment that swaps SGF for a like amount of revenue from the Medical Assistance Trust Fund. Monies deposited into the MATF represents revenues from various funds sweeps.	-$19,051,662	$0	0
09 -320	Health & Hospitals	Aging & Adult Services	Means of finance adjustment decreasing Title 19 Medicaid ($145,753 IAT) and increasing SGR ($89,966) and Federal funds ($55,787) at Villa Feliciana Medical Complex due to projected higher collections of private pay patient fees and Medicare funds.	$0	$0	0
09 -330	Health & Hospitals	Behavioral Health	Decreases IAT and increases SGF by a like amount in order to replace the loss of Title 19 federal Medicaid funding for Certified Public Expenditures (CPEs). This was one-time funding from CPEs for unallowable addictive disorders services in FY 12. CPEs for addictive disorder services will not be available under the LA Behavioral Health Partnership since they are now covered by Medicaid.	$1,359,820	$0	0
09 -330	Health & Hospitals	Behavioral Health	MOF swap replacing $6,669,928 in IAT with a like amount in SGR. DHH is contracting with Magellan Health Services, Inc. as the Statewide Management Organization (SMO) to administer behavioral health services to Medicaid patients. The decrease in IAT funds is attributable to Medicaid funds that DHH will no longer pay directly to the Office of Behavioral Health (OBH) for behavioral health services. As a provider, OBH will instead receive SGR payments from Magellan Health Service, Inc. for behavioral health services provided to Medicaid patients.	$0	$0	0

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Means of financing substitution decreasing Federal funds ($3 M) and increasing SGF ($3 M) for the Early Steps Program. The source of Federal funds is the Individuals with Disabilities Education Act (IDEA), Part C funds from Office of Special Education & Rehabilitative Services, U.S. Department of Education. Part C funds are no longer available in FY 13, and therefore, additional SGF funding is necessary to continue services at the same level. The Early Steps Program provides professional services to infants and toddlers (ages 0 to 3) living at homes who have been diagnosed with or exhibits symptoms of developmental delays. Services provided through this program include: audiology, speech language therapy, occupational therapy, physical therapy, special instruction, assistive technology, service coordination, medical evaluation, health services, nursing services, vision services, social work services, psychology services, family training, nutritional services, and transportation. In FY 11, 9,837 infants and toddlers were provided services in the Early Steps Program. FY 12 / FY 13 SGF $7,619,124 / $10,619,124 SGR $1,815,626 / $ 1,815,626 Federal $9,468,069 / $ 6,468,069 Total $18,902,819 / $18,902,819	$3,000,000	$0	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Means of financing substitution decreasing Title 19 Medicaid IAT ($600,000) and increasing SGR ($600,000) related to the funding for the LA Behavioral Health Partnership (LBHP). The DHH is contracting with Magellan Health Services, Inc. as the Statewide Management Organization (SMO) to administer behavioral health services to Medicaid patients. The decrease in IAT funds is attributable to Medicaid funds that DHH will no longer send to the Office for Citizens with Developmental Disabilities (OCDD) for behavioral health services. As providers under the LBHP, OCDD will instead receive self-generated payments from Magellan Health Service, Inc. for behavioral health services provided to Medicaid patients.	$0	$0	0
09 -340	Health & Hospitals	Office for Citizens w/ Developmental Disabilities	Means of financing substitution decreasing New Opportunities Waiver (NOW) Statutory Dedications ($1,391,480) and increasing SGF ($1,391,480). The source of the Statutory Dedications funding is SGF revenues deposited into the NOW Fund created by Act 481 of 2007. In FY 13, NOW statutorily dedicated funds are no longer available. NOW offers people, age 3 and older who otherwise would require the level of care of an Intermediate Care Facility for the Developmentally Disabled (ICFs/DD), services that allow them to remain in their communities. Services are based on the need of the recipient and are developed using a person-centered process to formulate an individualized plan. NOW services include residential support, respite, community integration and development, work-related supports, habilitation, environmental modifications and specialized equipment, professional services, as well as other services. The funds will be used to pay the salaries and related benefits of 15 waiver staff employees that certify individuals into the NOW in order to avoid delays in service.	$1,391,480	$0	0
			Major MOF Swaps for Health & Hospitals	**$26,404,902**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
10 -360	Children & Family Services	Children & Family Services	Increase of $4.5 M in SGF for the Prevention & Intervention Program to replace expired Federal TANF Emergency Funds from the American Recovery & Reinvestment Act (ARRA) for child welfare activities. In FY 11, the Department of Children & Families Services (DCFS) received a total TANF Emergency ARRA allotment of $81.9 M that expires in FY 13. Prior to Emergency TANF funds, child welfare activities were funded with SGF.	$4,500,000	$0	0
10 -360	Children & Family Services	Children & Family Services	Increase of $19 M in SGF for Prevention & Intervention Program ($9.5 M) and Field Services ($9.5 M) to replace Social Services Block Grant (SSBG) federal funds that are no longer available. In FY 12, the DCFS had a projected SSBG fund balance of $19 M. The department utilized the SSBG funds to mitigate budget reductions in the child welfare program activities that include services to foster children. In FY 13, SSBG funds have been expended, therefore SGF will replace SSBG funds to continue services at the same level. Prior to the use of SSBG funds, child welfare activities were funded with SGF. Services are anticipated at the same level.	$19,000,000	$0	0
10 -360	Children & Family Services	Children & Family Services	Increase of $1,486,999 in SGF for the Community & Family Services Program to replace a federal bonus award. The Department of Children & Family Services (DCFS) received a $1,486,999 bonus award from the U.S. Department of Agriculture (USDA) for outstanding and timely customer service in providing Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as Food Stamps. Each year, the USDA awards bonus awards to the states with the best record of timely application processing, an important measure of the SNAP program's customer service. The DCFS used the SNAP bonus award to mitigate SGF budget reductions in FY 12. In FY 13, the SNAP bonus award is no longer available. The funding will maintain the SNAP program at its current level.	$1,486,999	$0	0
			Major MOF Swaps for Children & Family Services	**$24,986,999**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
11 -431	Natural Resources	Office of Secretary	Means of financing substitution replacing $523,917 SGF with a like amount of IAT revenue. The IAT revenue is from other DNR agencies to provide for administrative support provided by the Office of the Secretary. Administrative support includes accounting, human resources, purchasing, payroll, etc.	-$523,917	$0	0
11 -431	Natural Resources	Office of Secretary	HAC amendment replaces $252,770 Federal funds with $252,770 IAT from the Office of Mineral Resources. The Federal funds cannot be utilized for expenses in the Technology Assessment Program. The original source of the IAT is from the Mineral & Energy Operations Fund statutory dedication.	$0	$0	0
11 -432	Natural Resources	Conservation	Means of financing substitution replacing $1,096,265 SGF with a like amount of Statutory Dedication funding from the Oil & Gas Regulatory Fund to maximize use of non-general fund revenue.	-$1,096,265	$0	0
11 -434	Natural Resources	Mineral Resources	Means of financing substitution replacing $2,499,496 of non-recurring Statutory Dedications funding from the Mineral & Energy Operation Fund with a like amount of SGF.	$2,499,496	$0	0
11 -434	Natural Resources	Mineral Resources	HAC amendment replaces SGF with Statutory Dedications funding from the Mineral & Energy Operations Fund.	-$1,800,000	$0	0
			Major MOF Swaps for Natural Resources	**-$920,686**	**$0**	**0**
13 -	Environmental Quality		Means of finance substitution that decreases $519,735 in Statutory Dedications from the Environmental Trust Fund (ETF) and increases Federal funds in a like amount to match projected federal revenue from the Performance Partnership Grant, which is the department's main operating grant from the Environmental Protection Agency. In the Office of the Secretary, the substitution of $113,468 involves salary expenditures of $85,101 and related benefits expenditures of $28,367 transferring from ETF to Federal funds. In the Office of Environmental Compliance, the substitution of $406,267 involves salary expenditures of $304,700 and related benefits expenditures of $101,567 transferring from ETF to Federal funds.	$0	$0	0
			Major MOF Swaps for Environmental Quality	**$0**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
14 -474	Workforce Commission	Workforce Support & Training	This MOF swap transfers $2,843,102 from Federal funds to the Employment Security Administration Fund in response to a reduction in the availability of federal funding for certain administrative functions. This fund contains a portion of the social charge of the employer assessment for use in supplemental funding of services related to unemployment insurance and employment security functions.	$0	$0	0
			Major MOF Swaps for Workforce Commission	**$0**	**$0**	**0**
19A-	Higher Education	HIED	The FY 12 appropriations bill carried forward $97.2 M in tuition revenues from FY 11. LaGrad Act tuition increases in FY 12 are $87.35 M, or $9.85 M less than the $97.2 M in tuition revenues carried forward into FY 12. The FY 13 Executive Budget provides $9.85 M in SGF to make up for this shortfall in LaGrad revenues compared to tuition amounts carried forward into FY 12.	$9,849,140	$0	0
19A-600	Higher Education	LSU System	Increases SGR and reduces IAT by $7,292,472 at the Health Sciences Center in Shreveport, E. A. Conway Medical Center, and H. P. Long Medical Center due to the LA Behavioral Health Partnership (LBHP). DHH is contracting with Magellan Health Services, Inc. as the Statewide Management Organization (SMO) to administer behavioral health services to Medicaid patients. The decrease in IAT funds is attributable to Medicaid funds that DHH will no longer make to LSU Health Sciences Center Shreveport. The hospital will instead receive SGR payments from Magellan Health Service, Inc. for mental health services provided to Medicaid patients.	$0	$0	0
19A-600	Higher Education	LSU System	HAC amendment provided SGF to the LSU Ag Center to offset the loss of $5,000,000 in one-time funding from the Overcollections Fund in FY12.	$5,000,000	$0	0
19A-615	Higher Education	SU System	HAC amendment provided SGF to the Southern Ag Center to offset the loss of $100,000 in one-time funding from the Overcollections Fund in FY12.	$100,000	$0	0
19A-661	Higher Education	Student Financial Assistance	Means of financing substitution replacing Statutory Dedications from the TOPS Fund with SGF based on Revenue Estimating Conference projections.	$3,368,367	$0	0
19A-661	Higher Education	Student Financial Assistance	Means of financing substitution replacing SGF with Federal funds from the savings realized from outsourcing Loan Operations functions.	-$1,100,000	$0	-60
19A-661	Higher Education	Student Financial Assistance	Means of financing substitution replacing one-time Statutory Dedications from the Overcollections Fund with SGF and Statutory Dedications from the TOPS Fund for TOPS awards. The FY 12 TOPS budget was partially funded with $92.3 M in one-time revenues from the Overcollections Fund. This means of finance swap replaces the $92.3 M in one-time funding for TOPS from the Overcollections Fund with the following funding sources: 1) $39.4 M in SGF; 2) $40 M in Statutory Dedications from the TOPS Fund based on a voter approved constitutional amendment (SB 53/Act 423 of 2011) dedicating tobacco settlement proceeds to the TOPS Fund; and 3) $12.9 M in Statutory Dedications from the TOPS constitutional amendment carried forward from FY 12.	$39,406,104	$0	0

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19A-661	Higher Education	Student Financial Assistance	HAC amendment provides funding from the TOPS Fund recognized by the REC on 4/24/2012 to replace SGF.	-$404,868	$0	0
19A-671	Higher Education	Board of Regents	Means of Finance substitution replacing SGF with additional revenues from the Support Education in Louisiana First (SELF) fund. The Revenue Estimating Conference increased the SELF Fund forecast on 4/24/12.	-$1,284,000	$0	0
			Major MOF Swaps for Higher Education	**$54,934,743**	**$0**	**-60**
19B-653	Special Schools & Comm.	LA Schools for the Deaf & Visually Impaired	Means of financing substitution decreasing $1,717,572 in SGF and increasing a like amount in IAT funds. The LA School for the Deaf Program will receive IAT based on student count in the Minimum Foundation Program (MFP). The MFP funds will allow the LA School for the Deaf & Visually Impaired (LSDVI) to reduce their SGF budget authority.	-$1,717,572	$0	0
			Major MOF Swaps for Special Schools & Comm.	**-$1,717,572**	**$0**	**0**
19 -681	Elem. & Secondary Educ.	Subgrantee Assistance	MOF swap replacing IAT from the Department of Children & Family Services (Temporary Assistance for Needy Families (TANF) funds) with SGF in the LA4 Program. The total funding for the program for FY 13 is approximately $76 M. TANF funds will not be available in FY 13.	$20,500,000	$0	0
19 -699	Elem. & Secondary Educ.	Special School Districts	MOF swap replacing SGF with IAT due to the inclusion of the Special School District in the MFP formula.	-$2,933,569	$0	0
			Major MOF Swaps for Elem. & Secondary Educ.	**$17,566,431**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
19E-610	LSU Health Care Services Division	LSU HSC-HCSD	MOF swaps at each hospital for SGF to be replaced with Statutory Dedications funding from the Overcollections Fund for the sale of the New Orleans Adolescent Hospital (NOAH). These funds are **contingent** upon the sale of the facility by the Office of State Lands. The amount of Statutory Dedications appropriated by hospital is reflected below. Medical Center of LA-NO $11,675,304 E.K. Long $8,906,912 University Medical $2,986,824 W.O. Moss $4,112,960 Lallie Kemp $2,338,393 Washington-St. Tammany $2,482,475 L.J. Chabert $2,497,132 **Total** **$35,000,000**	-$35,000,000	$0	0
19E-610	LSU Health Care Services Division	LSU HSC-HCSD	A MOF swap increasing SGR and reducing IAT due to the LA Behavioral Health Partnership (LBHP). DHH is contracting with Magellan Health Services, Inc. as the Statewide Management Organization (SMO) to administer behavioral health services to Medicaid patients. The decrease in IAT funds is attributable to Medicaid funds that DHH will no longer make to HCSD for behavioral health services. As a provider, HCSD will instead receive self-generated payments from Magellan Health Service, Inc. for behavioral health services provided to Medicaid patients. The amount of each MOF swap by hospital is reflected below. Medical Center of LA-NO $5,072,470 E.K. Long $1,934,492 University Medical $1,793,080 W.O. Moss $301,778 Lallie Kemp $416,512 Washington-St. Tammany $594,414 L.J. Chabert $1,327,302 **Total** **$11,440,048**	$0	$0	0
			Major MOF Swaps for LSU Health Care Services Division	**-$35,000,000**	**$0**	**0**

Major MOF Swaps in the FY 13 Budget Compared to the FY 12 Budget

Sch. #	Dept.	Agency	Explanation	SGF	Total	T. O.
20 -931	Other Requirements	LED Debt Service / State Commitments	Replaces SGF appropriation with Mega-Project Development Fund appropriation related to state commitments within the Schumaker project. The project was approved by JLCB in October 2011, with a $5 M payment from the Mega-Project Development Fund. This payment of $4 M will complete the state direct payment commitments for the Schumaker project, which is expected to create 600 new direct jobs over 5 years in the Lafayette area due to an expansion of headquarters.	-$4,000,000	$0	0
			Major MOF Swaps for Other Requirements	**-$4,000,000**	**$0**	**0**
			Major MOF Swaps of FY 2013	**$77,046,633**	**$0**	**-58**

Budget Issues

DEPT / AGY: **Preamble**

ISSUE: **State General Fund Revenue Forecast Summary, As of April 2012 Revenue Estimating Conference**

	FY12	FY13	FY14	FY15	FY16
SGF Revenue	$7,862	$8,103	$8,403	$8,732	$9,117
Forecast Change	-$205	-$304	-$381	-$423	-$562
Yr/Yr $ Chg.	$91	$241	$300	$329	$385
Yr/Yr % Chg.	1.2%	3.1%	3.7%	3.9%	4.4%
Oil Price Fcst	$97.76	$102.14	$100.14	$98.42	$97.24
Gas Price Fcst	$3.29	$3.16	$3.79	$4.10	$4.30

The national recession hit FY 10 in a big way, but recovery began in FY 11 with a relatively strong bounce-back. However, with respect to state tax receipts, the recovery has slowed considerably in FY 12 and revenue forecasts were downgraded at both the 12/14/2011 and 4/24/2012 REC meetings. The forecast baseline for FY 12 – FY 16 has been reduced by roughly $400 M in FY 12 to over $500 M by FY 15 and FY 16, but year-over-year revenue growth is still expected, albeit very low growth in FY 12 accelerating to more normal growth over the forecast horizon. Over the course of the year, changes have been made to almost every revenue source. However, the big changes to the state general fund (SGF) forecast are typically concentrated in only a few items.

The personal income tax forecast for FY 12 has been reduced by $329.1 M so far this year. In part, this was simply a correction to the forecast made necessary because at the REC meeting in May 2011 only the FY 11 forecast was revised and the FY 12 – FY 15 forecasts were left unchanged. Large downward revisions were recommended at that time, as well. The December and April evaluations both supported reducing that forecast. The growth forecast from FY 11 actual is still a positive 3.4%, but bears close monitoring. The growth forecast for FY 13 is 5.7%, and growth forecasts have been moderated to the 4% - 5% range in the out-years.

The severance tax forecasts were reduced materially throughout the forecast horizon in December (some $128.5 M for FY 12), even as oil price forecasts were raised $8/bbl - $12/bbl. The reasons for this reduction still exist: (a) increasing amounts of oil & gas production that are substantially tax exempt, and (b) gas production being diverted away from taxable vertical production as the industry concentrates more on the horizontal drilling development of the largely tax-exempt Haynesville Shale formation. While natural gas prices have weakened considerably, moderating the Haynesville activity, the price of oil has strengthened and is dominating the severance tax. Consequently, forecasts were raised in April.

Royalty receipts have been a bright spot for much of the fiscal year, providing a positive offset to the negative pressures on the severance tax (other than the positive price pressure). The strength in oil prices has more than made up for the weakness in gas prices, with regard to royalty receipts. Consequently, material upward revisions in expected royalty receipts were made in December and in April, but royalties have been reduced somewhat in FY13 and beyond as gas prices have continued to weaken.

General sales taxes are growing only modestly (at only a core inflation rae at best), following a sharp rebound in FY 11 from the trough of FY 10. The forecast had expected only modest growth in FY 12 and beyond and this was not changed in December. However, with no improvement in sight this fiscal year, the April forecast reduced sales tax for FY12 but then accelerates its growth into the forecast horizon. Where strong sales are occurring is in vehicles with a second year of rebound, albeit at half the rate of the bounce in FY 11. The vehicle sales tax forecast has been revised upward, but the total collections base is not large enough for this tax to provide large offset to other general fund weaknesses.

While the corporate tax forecast was not changed in December, it was downgraded at the April REC. The strength in oil prices, manufacturing activity in general and corporate profits in general suggests that at some point there should be an upward revision from very modest levels in the current forecast. However, the FY 10 amnesty program still distorts the true base behavior of this tax, and performance year-to-date through March 2012 was still weak compared to forecast. Much of these receipts occur late in the fiscal year, and missteps here can be difficult to recover from. Evidence of the annual performance of these taxes does not typically occur until April receipts are known.

As of the April 2012 forecast, risks were probably fairly evenly weighted. However, that does not mean there is no downside risk. The personal income tax growth rate forecast is still greater than the year-to-date performance, and general sales taxes have barely bested prior year. The influence of high oil prices is a considerable positive, but the horizontal drilling tax exemption and production distortions are still a negative to mineral revenue. A material downward movement in oil prices, from a deep European recession, slower growth in emerging markets, or simply a change in market sentiment can materially damage the forecast. While corporate tax conditions seem able to support a rebound, this has yet to materialize as of March. With large revenue sources like sales and income tax, small percentage misses can result in large dollar losses to the forecast.

DEPT / AGY: Preamble Statewide

ISSUE: Annualization of FY 12 Mid-Year Deficit Reduction Plan & Executive Order FY 12 Hiring Freeze in the FY 13 budget

After the 12/14/2011 Revenue Estimating Conference (REC) reduced the current year (FY 12) revenue forecast by $197.8 M, the Commissioner of Administration notified the Joint Legislative Committee on the Budget (JLCB) of a budget deficit. The Division of Administration (DOA) and JLCB approved the FY 12 Mid-Year Reduction Plan in December 2011, which attempted to solve a $251.3 M SGF problem (see tables below). A portion of FY 12 mid-year reductions has been annualized into the current version of HB 1 for FY 13.

FY 12 SGF Mid-Year Problem

$197.8 M	SGF revenue forecast reduction
$42.6 M	MFP October 2011 child count
$10.9 M	FY 11 ending year SGF deficit
$251.3 M	Total FY 12 SGF deficit problem

$119.3 M was alternatively financed with 3 basic funding sources listed below:

$66.2 M of tobacco settlement receipts made available by the adoption in October 2011 of the constitutional amendment contained in Act 386 of the 2011 Regular Legislative Session (settlement receipts were budgeted in TOPS and the SGF funding was freed up). An off-budget resource was brought on-budget.

$50.4 M of cost reports in DHH operations were utilized (more federal funds due to LA were budgeted and SGF was freed up). Another off-budget resource was brought on-budget.

$2.4 M of additional Transportation Trust Funds (TTF) funds were allocated to State Police, which reduced the amount of SGF need in FY 12. The Constitution permits expenditures from TTF to fund traffic operations of State Police.

$38.2 M of the SGF problem was funded by cutting various statutory dedication appropriations and transferring these funds to the SGF. This prevents reductions to SGF programs at the expense of programs funded by statutorily dedicated funds. The significant statutorily dedicated cuts include: $24.4 M - TTF projects/activities, $3.2 M - Environmental Trust Fund activities, $1.8 M - Rapid Response Fund activities; and numerous other dedicated funds. A total of 56 statutorily dedicated funds were impacted. Essentially, these budget cuts will "force" a fund balance at the end of a the fiscal year.

$93.8 M of the SGF problem was resolved by reductions in SGF programs and activities. The significant reductions include:

- $50.0 M - Higher Education to be allocated by the Board of Regents
- $13.4 M - DHH (net impact of a $63.9 M SGF cut offset by $50.5 M of alternative financing)
- $8.0 M - DCFS, of which half of this reduction is association with IT maintenance contracts
- $6.3 M - Corrections from hiring freezes across state institutions
- $6.0 M - Youth Services from hiring freezes and operational/contract services reductions
- $1.5 M - Secretary of State election program
- $1.3 M - Education from hiring freezes, Professional Improvement Program (PIP) reductions, School Choice Pilot cuts
- $1.2 M - Agriculture & Forestry from hiring and travel freezes
- $1.1 M - CRT from hiring freezes, operational cuts and cuts to local library aid

Of the total $251.3 M in SGF problem resolved in the FY 12 Mid-Year Deficit Reduction Plan, the current version of HB 1 for FY 13 only annualized $74.7 M in SGF ($87.4 M in Total MOF) identified as *Annualization of FY 12 Mid-Year Deficit Reduction Plan* and annualized $2.2 M in SGF ($3.8 M in Total MOF) identified as *Annualization of FY 12 Executive Order Hiring Freeze* for a total annualized FY 13 SGF reduction of $76.9 M ($91.2 in Total MOF). Of the total annualized in FY 13, $50 M was annualized in Higher Education which equates to 65% of the total annualized. Thus, approximately $174.4 M of the FY 12 SGF problem that was addressed in FY 12 was not annualized in the FY 13 budget. In addition, of the $38.2 M of the SGF problem financed by cutting various statutorily dedicated funds, only $5.6 M of those fund reductions was annualized in the FY 13 budget.

Note: Any other savings/budgetary reductions from the FY 12 Executive Order Hiring Freeze will likely be contained in the FY 12 Supplemental Appropriations Bill, which has not yet been filed.

Below is a chart comparing the FY 13 Executive Budget to the Existing Operating Budget (as of 12/1/2011) and Existing Operating Budget (as of January 2012). The EOB as of January 2012 includes the FY 12 Mid-Year Deficit Reduction Plan, which illustrates that the current version of HB 1 increased SGF by 3.69% as opposed to a 1.56% increase when comparing to EOB as of 12/1/2011.

Means of Financing	EOB 12/1/2011	FY 13 Executive Budget	% Increase/ Decrease
State General Fund	$8,277,928,055	$8,406,700,000	1.56%
Interagency Transfer	$3,203,557,622	$2,978,861,033	(7.01%)
Fees & Self-generated Revenues	$3,441,287,136	$3,458,258,925	0.49%
Statutory Dedications	$4,044,751,720	$3,651,010,726	(9.73%)
Interim Emergency Board	$511,853	$0	(100%)
Federal Funds	$11,174,954,485	$11,349,384,820	1.56%
TOTAL	$30,142,990,871	$29,844,215,504	(0.99%)

Means of Financing	EOB Current (Jan. 2012)	FY 13 Executive Budget	% Increase/ Decrease
State General Fund	$8,107,535,419	$8,406,700,000	3.69%
Interagency Transfer	$3,205,245,140	$2,978,861,033	(7.06%)
Fees & Self-generated Revenues	$3,444,154,404	$3,458,258,925	0.41%
Statutory Dedications	$4,075,219,654	$3,651,010,726	(10.41%)
Interim Emergency Board	$511,853	$0	(100%)
Federal Funds	$11,216,365,419	$11,349,384,820	1.19%
TOTAL	$30,049,031,889	$29,844,215,504	(0.68%)

DEPT / AGY: Executive Division of Administration

ISSUE: Human Resources Consolidation (DOA/OGB/LCLE)

HB 1 includes a proposal to consolidate the human resources functions within the Office of Group Benefits (OGB) and the LA Commission on Law Enforcement (LCLE) within the Division of Administration (DOA). Included within the current version of HB 1 are various budgetary adjustments that transfer 1 position from the LCLE and 4 positions from the OGB to the Division of Administration (DOA) to provide human resources functions for these 2 governmental agencies.

According to the DOA, the LCLE will pay the DOA $56,856 and the OGB will pay the DOA $317,240 for a total of $374,096 paid to the DOA for these human resources services. The DOA's IAT budget authority is being increased by $374,096 for FY 13 in order to accept payment from these agencies.

DEPT / AGY: Executive Division of Administration

ISSUE: Office of Group Benefits (OGB) - Morgan Keegan Contract

On 11/2/2011, the Division of Administration (DOA) signed a contract with Morgan Keegan that provides for the following goals and objectives:

- Provide financial advice including strategic planning, business planning, fiscal policy formulation, economic analysis, benchmarking and provide recommendations as needed/requested with regard to strategic and financial alternatives for current OGB programs.
- Assist in exploring other methods by which OGB can perform its statutory responsibilities through a transaction or contract involving the book of business or services provided by OGB and in the formulation of alternative methods of benefit delivery while retaining the same or improved level of services and benefits.
- Determine the value of the business, the value of the book of business and the market value of the tangible and/or intangible assets of OGB.
- Devise and utilize a Solicitation For Offers (SFO) process to identify potential contractors that match the alternative methods selected by OGB. Develop and initiate the marketing material and conduct a targeted marketing process. After selection of the winning proposer, Morgan Keegan shall assist OGB in the negotiation process to confect a contract for implementation of the selected alternative method, the start date of which shall be at the beginning of the plan year beginning on 1/1/2013.
- Provide recommendations to OGB for contracting in light of the assessment and negotiations.
- Assist in drafting and final execution of any contract resulting from the assessment and negotiations.
- Provide testimony before any committee of the LA legislature or other group that may conduct hearings regarding any contract resulting from the assessment and negotiations.

The contract terms are from 11/2/2011 to 12/31/2012 and the State has agreed to pay Morgan Keegan a maximum fee of $900,000. The contract provides for Morgan Keegan to receive compensation as follows:

- Morgan Keegan shall receive $150,000 upon completion of the Strategic Options Assessment.
- Morgan Keegan shall receive $50,000 upon completion and submission to the DOA of the Solicitation For Offers (SFO) document.
- Morgan Keegan shall receive a payment of 3% of the cumulative transaction value of any contract entered into as a result of the Solicitation For Offers (SFO) process, provided however that the minimum fee shall be $300,000 and the maximum fee of $700,000.
- Morgan Keegan shall not be paid more than the maximum amount of this contract, which is $900,000.

As of the FY 13 Executive Budget Recommendation, OGB will not be sold. However, the agency intends to hire a third party administrator for OGB's PPO plan. Because the policy decision has been made to utilize a third party administrator and not sell the PPO/HMO plans, the DOA does not need the full services of Morgan Keegan. Thus, DOA legal is currently in the process calculating what services it will be required to pay Morgan Keegan based upon the current contractual obligation. At a minimum, the DOA will likely be responsible for paying the $150,000 for the Strategic Options Assessment, which to this point the DOA has yet to receive.

DEPT / AGY: Executive Division of Administration

ISSUE: Office of Group Benefits (OGB) - Third Party Administrator

Included within the Office of Group Benefits' FY 13 budget is a reduction of $13.25 M and 161 positions due to the policy recommendation associated with a third party administrator (TPA) for the Office of Group Benefits' Preferred

Provider Organization (PPO) plan. The projected savings by the administration of $13.25 M is for only 6 months (January 2013 - June 2013) as the administration anticipates having the TPA in place by January 2013, which equates to annualized savings of approximately $26.5 M and 161 positions. These positions will likely be converted to non-T. O. FTE positions from July 2012 to December 2012 as the agency transitions to the new TPA.

In addition to offering 2 TPA plans (HMO - Blue Cross Blue Shield, CD-HSA - United Healthcare), OGB currently administers its own health plan called the PPO. Currently, a large percentage of OGB employees provide eligibility determination, premium collections, network administration (contracts with providers), medical claims payments and customer service for the PPO plan, while only providing eligibility determination and premium collections for the current TPA plans (HMO, CD-HSA).

For **illustrative purposes**, if the new TPA for the PPO is similar to the current per member per month (PMPM) rate charged by Blue Cross Blue Shield for the HMO, which is $25, the total administrative costs paid to the new TPA would be approximately $11.5 M annually (38,417 PPO members x $25 PMPM = $960,462 x 12 months = $11.5 M). Thus, the true annualized savings from utilizing a TPA for the PPO is $26.5 M less $11.5 M, which equates to approximately $15 M of actual savings ($26.5 M - $11.5 M = $15 M).

However, because the average age of the current PPO members is 66 years old, it is possible the contractual per member per month rate may be higher with the TPA than the current per member per month rate of the HMO Plan, which has an average age of 48 years old. Every $1 increase in per member per month rate, decreases the projected $15 M savings by approximately $460,000. Thus, based upon the current PPO membership population, the break even per member per month rate is approximately $57. To the extent the negotiated TPA rate is greater than $57 per member per month, utilizing a TPA will not be cost effective to the state. **Note:** According to the DOA, the potential costs that will be incurred by the OGB related to the new TPA for the PPO plan are not accounted for in the FY 13 budget.

Note: According to the DOA, they are currently considering including the following OGB programs in the bid for the new TPA. Those programs include: HMO, PPO, disease management, mental health/substance abuse, pharmacy benefit management and utilization management. At this point, no final decision has been made.

Potential cost associated with reducing the 161 positions

A potential budgetary impact for OGB includes the anticipated termination pay to the laid-off individuals who decide to completely separate from state employment. Pursuant to Civil Service Rule 11.10(b), separated state employees are eligible for payment of 300 hours of accumulated annual leave which is calculated based upon the employees' hourly rate. Based upon data from ISIS-HR as of February 2012, the average salary within the OGB for filled salaried positions is $53,184 ($25.57/hour). To the extent 25% of the 161 positions completely separate from state service and are not hired by another state agency, OGB will be required to pay approximately $300,000 in termination pay ($25.57 x 300 hours x 41 = $314,511).

DEPT / AGY: Executive — Division of Administration

ISSUE: Enterprise Resource Project (ERP) - LaGov

According to the DOA, the total implementation costs for the state's new financial system are approximately $95 M. Due to FY 11, FY 12 and FY 13 budget constraints, the DOA chose to pilot the implementation of the system for the Department of Transportation & Development (DOTD) in FY 11 and the Department of Environmental Quality (DEQ) in FY 13. Thus, there will be no statewide rollout in FY 12 or FY 13 due to lack of funding. However, included within the current version of HB 1 is $881,000 of funding to bring DEQ online within the state's new financial system (LaGov) with a go-live date of 7/1/2014.

The $881,000 is funded by $381,000 SGF and $500,000 IAT from DEQ's Environmental Trust Fund. According to the Division of Administration (DOA), approximately $125,000 of the $500,000 from DEQ will be utilized for salaries and related benefits for DEQ staff that will be housed at the DOA during the year of implementation (FY 13), approximately $125,000 of the $500,000 will be utilized for training DEQ agency personnel on using the system and approximately $250,000 of the $500,000 will be utilized for modifications to the current federal grant tracking module within the system to better service the federal grant needs of DEQ. The SGF will be utilized to pay any hardware and software maintenance costs ($136,000), software licenses ($225,000) and any needed hardware acquisitions ($20,000). At this time, DEQ is the only other state agency coming on-line with the system in FY 14.

The hardware and software infrastructure are in place for a statewide rollout. The basic consulting services costs for converting the entire state include data conversion and training for a projected total cost of approximately $32.9 M. If additional funding is appropriated in FY 13, the statewide rollout costs would be as follows: $7.1 M - FY 13; $19.2 M - FY 14; and $6.7 M - FY 15. Approximately $25.3 M of the $32.9 M would be for professional service contracts for the full implementation statewide. However, the further the statewide rollout is delayed, the less relevant the LaGov system becomes and the increased risk that the current 16-year old legacy systems will crash beyond repair. To the extent the DOA is appropriated the needed $7.1 M of funding in FY 13 to begin the statewide rollout, the earliest the system could go live statewide is 7/1/2015 (FY 16).

The FY 13 budget for LaGov includes approximately $5.5 M of which $4.7 M is for the ongoing maintenance of the existing system ($1.3 M in TTF-R and $3.4 M in SGF). The Transportation Trust Fund - Regular (TTF-R) costs are for the ongoing maintenance of Agile Assets (DOTD), which are increasing by $22,541 for FY 13 (hosting and software maintenance increases).

The LaGov system as it exists today will require annual maintenance costs of approximately $5 M with a major software upgrade scheduled in FY 15, which is projected to cost approximately $3.4 M (one-time costs).

Original projections of the total cost of the system were approximately $100 M. Due to the decision to pilot DOTD & DEQ, the projected cost estimate to bring the entire state online has increased to approximately $133 M, or an increase of $33 M.

DEPT / AGY: Executive LA Stadium & Exposition District

ISSUE: Community Development Block Grant Funds (CDBG) within the LSED

Included within the current version of HB 1 is the continued support of the financial obligations of the district with CDBG funds from hurricanes Katrina & Rita. There is $11,321,670 of these funds in the FY 13 budget.

The LSED originally received hurricane Katrina and Rita CDBG grant funds in the amount of $40 M that was spread over 3 fiscal years (FY 10, FY 11, and FY 12). The $40 M grant from Office of Community Development (OCD) covered non-reimbursable costs incurred in the renovation and restoration of the Superdome following Hurricane Katrina. These funds were provided through the Local Government Infrastructure Program. The LSED utilized approximately $10 M of the grant to fund the FY 10 budget deficit and budgeted approximately $20 M in FY 11 and the remainder in FY 12, or $11,974,692. These grant funds were to be completely expended in FY 12. However, according to OCD, there will be an action plan amendment submitted to the U.S. Department of Housing & Urban Development (HUD) for approval to allow OCD to reprogram approximately $11.3 M from 2 hurricane recovery programs to the Local Government Infrastructure Program.

The funds to be reallocated include: $2.2 M from the Fisheries Assistance Program and $4.5 M from the Soft Seconds Housing Program with the remaining $4.6 M coming from resources currently allocated to the Local Government Infrastructure Program. The original Action Plan for Katrina/Rita allocated $95 M to the Local Government Infrastructure Program. There is currently $168.9 M allocated to the Local Government Infrastructure Program. Upon the approval of this action plan amendment that will move $11.3 M into the program, there will be approximately $180.2 M allocated to the Local Government Infrastructure Program.

To the extent the action plan amendment is not approved by HUD, the district will not have enough funds to meet its projected FY 13 financial obligations.

DEPT / AGY: State Secretary of State

ISSUE: Election Costs

The FY 13 budget includes $13 M for election expenses for 4 elections scheduled to be held in FY 13. The presidential election and the congressional primary election are scheduled at same time, in November 2012; and the congressional general election in December 2012. The municipal primary election date is scheduled in April 2013 and the municipal general election in May 2013. The elections scheduled in November and December 2012 are statewide elections.

The FY 12 budget includes $18.3 M for election expenses. As of 12/31/2011, approximately $10.9 M was expended for 4 elections (2 statewide and 2 local). The 2 statewide elections include the gubernatorial primary election (and others elected at the same time) held in October 2011 ($5.8 M) and gubernatorial general election (and others elected at the same time) November 2011 ($5.1 M). Two local elections, totaling $25,207, were held in July 2011 and December 2011. There are 2 scheduled election dates remaining in FY 12 that have not occurred yet. The presidential preference election and the municipal primary election scheduled 3/24/2012, and the municipal general election scheduled 4/21/2012. The presidential preference election scheduled 3/24/2012 is the third statewide election scheduled to occur in FY 12.

DEPT / AGY: Public Service Commission Public Service Commission

ISSUE: Update on Public Service Commission Legal Action Against the State

In June 2010, the Public Service Commission (PSC) filed suit against the LA Legislature and the Administration claiming that the state unconstitutionally swept the accrued balances of the funds of the PSC in the amount of $8.5 M ($4 M in 2009 and $4.5 M in 2010) and placed the money in the SGF for use in any area of state government. The PSC contends that those balances were the proceeds of industry-specific fees (in particular, inspection and utility fees, motor carrier registration fees and telephonic solicitation registration fees) collected under the auspices that the fees were to be used in the regulation and enforcement of industry standards. In transferring these fees to the SGF, the PSC contends that the state treated them as a general tax, which is prevented by the Constitution. The Legislature indicates that the fund balance sweep was an allowable use of these funds. Should the PSC be successful in this effort, the state could eventually be required to return hundreds of millions of dollars to these and similar funds that have been swept over the years.

The Attorney General filed exceptions to the case in 19th Judicial District State Court which the PSC opposed. On 2/2/2011, the court ruled that the state did not violate the Constitution in sweeping the funds for use in the general operating budget. The PSC has appealed the District Court ruling and is currently filing briefs with the Court of Appeals. According to the PSC, a judgment is not expected before the end of FY 12 but should be known before the end of FY 13. Once that ruling is in place, there are further appeals available, but it is uncertain whether they will be utilized. If the appellate ruling is in favor of the PSC, the Attorney General indicates that an appeal to the Supreme Court would be requested. If the PSC prevails in the end, a precedent could be set to disallow past and future funds sweeps, which could reduce anticipated available revenue in the budget by disallowing certain funds sweeps that are regularly utilized in the budget. Because a ruling is not in place, it is not clear whether the impact would be applied retroactively to demand the refunding of past sweeps.

Both the state (represented by the Attorney General) and the PSC are using in-house attorneys so there is no additional administrative cost to the state as a result of this case.

DEPT / AGY: **Agriculture & Forestry** **Office of Agriculture & Forestry**

ISSUE: **Debt Service Payments**

After FY 12 debt service payments, there will be approximately $53.6 M in outstanding debt for the Department of Agriculture & Forestry related to various building projects and equipment purchases. R.S. 27:392(B)(4) dedicates $12 M of racetrack slot proceeds into the LA Agricultural Finance Authority Fund (LAFAF). Per R.S. 3:277, these funds are to be expended for securing revenue bonds for the needs of the Boll Weevil Eradication Program (debt service payments) or other agricultural associated expenditures at the discretion of the department. Additional debt service payments are paid off-budget by the LA Agricultural Finance Authority (LAFA) from proceeds deposited into the Feed Commission Fund, the Fertilizer Fund and the Pesticide Fund (FF&P).

After the department makes the projected FY 12 debt service payments, the remaining debt of $53.6 M is associated with the following projects:

$16.2 M	Lacassine Sugar Syrup Mill project (original 2004 debt issuance)
$31.0 M	Firefighting equipment, $22 M, and multiple buildings
$1.9 M	Various construction projects in 2006 - $9.6 M
$4.5 M	Various construction projects in 2007 - $6 M
$53.6 M	Total debt still owed

Included in the FY 13 budget is $9.9 M in budget authority from the LA Agricultural Finance Authority Fund (R.S. 3:277) for debt service payments. Information provided by the department projects total debt service payments at $9.2 M in FY 13. From this fund, the agency is projected to pay approximately $2,059,738 in total bond interest payments and $7,155,000 in total principal payments in FY 13. LAFA will make additional payments of $228,603 in interest payments and $2,221,687 in total principal payments in FY 13. The debt service payments projected in FY 13 are:

$7,587,238	Interest and principal on Lacassine Syrup Mill project (LAFAF)
$1,627,500	Interest only payments on Firefighting equipment and buildings (LAFAF)
$1,946,890	Interest and principal on various construction projects in 2006 (FF&P)
$503,400	Interest and principal on various construction projects in 2007 (FF&P)
$11,665,028	TOTAL ($9,214,738 LA Agricultural Finance Authority Fund and $2,450,290 FF&P)

To the extent that the interest rates do not change and the department does not pre-pay outstanding debt services, the various construction projects in 2006 should be *paid in full at the end of FY 13*, the Lacassine Syrup Mill bonds should be *paid in full at the end of FY 15,* and the firefighting equipment and buildings should be *paid in full by FY 18.* The various construction projects issued in 2007 should be *paid in full at the end of FY 27*. To the extent that the department does not borrow more funding through additional bond issues, all state debts will be paid off by FY 27.

Even though these debts are considered Net State Tax Support Debt, according to an audit of LAFA conducted by the Legislative Auditor (August 2008), these bonds are *"limited to special obligations of the authority and do not constitute a general, special or moral obligation of the State."* Currently, out of the approximate $53.6 M the department owes, only $31 M is associated with the firefighting equipment and buildings cannot be paid off earlier than its projected final payment date (FY 18), due to a prepayment penalty.

DEPT / AGY: **Agriculture & Forestry** **Office of Agriculture & Forestry**

ISSUE: **Lacassine Syrup Mill**

The Lacassine Syrup Mill was financed by the state for $56 M. Construction and operating expenses totaled $45 M which was financed through revenue bonds secured by slot machine proceeds dedicated to the LA Agricultural Finance Authority (LAFA) in 2003. Interest due over the term of the $45 M bond issue totaled approximately $11 M.

The mill was to be used to make sugarcane syrup from cane grown is Southwest LA. The syrup would be used to produce ethanol on site or to be transported to other mills in LA for processing into raw sugar. Although construction began in May 2004, due to several delays the mill was not commissioned until March 2006.

In June 2006 LAFA signed a lease/purchase agreement with Lake Charles Cane - Lacassine Mill, LLC (LCCLM). In November 2006, LCCLM exercised its option to purchase the mill for $60 M. Other than a $300,000 security deposit, no upfront cash was put down. The terms of the sale included a 3% interest rate and 44 annual installment payments payable on December 31 of each year beginning in 2007. The first 4 installment payments were $100,000 each. After these 4 installments, the balance of principal and interest due was to be amortized over the remaining 40 years. LCCLM made the initial 4 payments of $100,000. The fifth mortgage payment of $2,948,147 was due on 12/31/2011 and has not been paid.

In addition, LAFA guaranteed $11 M of debts by LCCLM of which $6.2 M is unpaid to private banks. LCCLM owes this $6.2 M to the banks, in addition to the $70.6 M to the state. In March, the Commissioner of Agriculture announced plans to foreclose the facility.

The commissioner has reduced the bond debt from $45 M to $16.1 M and all bonds should be paid in full at the end of FY 15. Act 122 of 2009 provided a $15 M appropriation to make bond payments. In November 2009, the remaining bonds were converted from a variable rate to a fixed rate.

DEPT / AGY: Economic Development — Office of Secretary

ISSUE: Use of the Mega-Project Development Fund

The Mega-Project Development Fund is reserved for projects that create over 500 new jobs or offer at least $500 M in federal dollars or private capital investment (not including the state's contribution). The state's share of the project can comprise no more than 30% of the total project cost as specified in the cooperative endeavor agreement (CEA). Projects associated with companies in bankruptcy threatening at least 500 jobs or military bases subject to realignment or closure are also eligible.

The fiscal history of the fund:

Revenue		
FY 07 Initial Deposit	$150,000,000	
FY 07 Surplus Funds	307,100,000	
Interest to date*	15,595,456	
TOTAL REVENUE	$472,695,456	
Total Uses with CEA commitments		
Support Worker Supplement	$48,600,000	
ULM School of Pharmacy	4,209,000	
Federal City	125,000,000	
NASA/Michoud[1]	55,500,000	
Foster Farms	50,000,000	
SNF Holdings	26,550,000	
ConAgra	37,400,000	
CenturyLink[2]	3,300,000	
Schumaker	9,000,000	
TOTAL COMMITMENTS	$359,559,000	
Act 22 of 2011 Regular Session[3]		(81,448,446)
FUNDS AVAILABLE after Act 22 of 2011RS*		$31,688,010
Possible changes:		
CenturyLink unappropriated mega-project commitment		*($16,100,000)*
Restoration of funds sweep due to TOPS funding		*$20,000,000*

* Interest will continue to accrue until the money is removed from the fund, so additional funds could be available depending on the timing of the use of the fund. As amended in the House Appropriations Committee, HB 822 (Funds Bill) deposits $3.4 M from the Mega-Project Development Fund into the SGF and HB 1 appropriates $500,000 from the Mega-Project Development Fund.

1 The NASA/Michoud project is on informal hold by LED until the federal government's commitment to the space program is clarified.

2 The CenturyLink Cooperative Endeavor Agreement committed the state to a total cash incentive of $19.4 M with $3.3 M appropriated from the Mega-Project Development Fund in FY 12. The remaining $16.1 M has not yet been associated with a means of finance.

3 In Act 22 of the 2011 Regular Session, this amount was transferred from the Mega-Project Development Fund to the Overcollections Fund for use by various agencies in the FY 12 budget. The Division of Administration has indicated a desire to replace up to $20 M of this funding with money secured with voter approval of a constitutional amendment funding the TOPS Program with Millennium Trust Fund dollars. Should that be the case, the available balance in the Mega-Project Development Fund would increase to about $52 M.

DEPT / AGY: Culture, Recreation & Tourism — Tourism

ISSUE: LA Tourism Promotion District

Act 1038 of 1990 created the LA Tourism Promotion District (LTPD) which receives three one hundredths of 1 cent of the sales and use tax for the purpose of assisting the state for out-of-state advertising and promoting tourism in LA.

In FY 13, a number of initiatives which have been funded with SGF historically are to be funded from the Office of Tourism's SGR funds, which is the sales tax. The following pass-throughs are to be funded with SGR for FY 13:

Independence Bowl	$300,616
FORE! Kids Foundation	$314,108
N.O. Metropolitan CVB (Essence Festival)	$948,112
New Orleans Bowl	$280,577
Greater New Orleans Sports Foundation	$544,050
Jefferson Parish (Bayou de Famille Park)	$418,500
LA Special Olympics	$250,000
Shreveport CVB (Bassmasters)	$425,000
Senior Olympics (Office of Elderly Affairs)	$33,750
Super Bowl	$6,000,000
NCAA Women's Final Four	$1,000,000
Total	$10,514,713

Additionally, funding for the following initiatives will be transferred to other agencies within the department:

ENCORE Louisiana	$465,356
LA Book Festival	$100,000
World Cultural Economic Forum	$675,000
LA Sports Hall of Fame	$677,786
Kent House	$56,000
Office of the Secretary administrative costs	$446,600
Decentralized and Statewide Arts Grants	$1,500,000
Total	$3,920,742
Total pass-throughs and programs to be absorbed by the LTPD	$14,435,455

The recommended funding level for the LTPD (excluding the Administrative and Welcome Centers Program within the Office of Tourism) for FY 13 is $24,764,257. After the pass-throughs and programs are absorbed by the LPTD, $10,328,802 remains for normal expenditures related to advertising and promoting tourism in LA.

DEPT / AGY: Transportation & Development

ISSUE: State Transportation Funding

State Gas Tax: The 16-cent state gas tax was enacted in 1984 as a flat, non-indexed tax. The state gas tax has a current day buying power of approximately 7 cents. Historically, gas tax revenues have grown approximately 2.5% per year since 1992 but the rate has slowed to approximately 1.7% over the last six years. Construction and operating inflation substantially exceed the growth rate of the gas tax. Personnel costs within DOTD historically grew an average of 5% annually. Since the hurricane events of 2005, construction costs have increased 25% to 30%.

In the year the state gas tax was enacted, 1984, the average price per gallon was $0.94 and individuals paid approximately 17% per gallon for road infrastructure with the 16-cent state gas tax. The average price per gallon in LA as of 2/23/2012 is $3.52. Due to the tax being flat, and not indexed to inflation, the current tax equates to individuals paying approximately 4.5% per gallon for road infrastructure.

The LA Constitution stipulates allowable uses of the Transportation Trust Fund (TTF). The constitution allows the LA State Police to utilize appropriations from the TTF for traffic control purposes. A means of finance swap executed an exchange of $19.4 M TTF to be used for recurring expenditures in the Traffic Enforcement Program in lieu of SGR. This reallocation of TTF dollars between departments has a direct and material impact on the potential size and scope of other allowable uses of the TTF, namely: costs for and associated with construction and maintenance of the roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program or its successor, ports, airports, transit, the Parish Transportation Fund or its successor and any bond debt or associated obligations. The use of TTF by the Traffic Enforcement Program is not without precedent, as the program received uninterrupted annual appropriations from FY 90 through FY 07 with appropriations of $11.72 M in the lowest year and $40.46 in the highest. The Traffic Enforcement Program currently has $26.5M TTF in FY 12. The total appropriation from TTF in FY 13 for traffic enforcement operations is $45.9 M

Federal Highway Trust Fund (Federal Gas Tax): The current federal program (SAFETEA-LU) expired at the end of September 2009. The program has been extended through a series of legislative instruments, most recently the Surface and Air Transportation Programs Extension Act of 2011 signed by President Obama on 10/5/2011, to further extend SAFETEA-LU through 3/31/2012. Congress did not appropriate additional funds through any of the extensions, the legislation merely provided an extension of the existing federal highway spending authorization. The federal Highway Trust Fund (HTF) is funded with the 18.4-cent federal gasoline tax and like the state gas tax, it has lost ground to inflation over time.

TIMED Program Bond Debt Service Payments - $143.7 M: The TIMED Program was established by Act 16 of 1989 1st Extraordinary Session and designated 16 specific road/bridge projects. The original plan called for a designated funding stream in the form of a 4-cent gasoline tax on top of the existing 16-cent state gas tax, providing for a pay-as-you-go construction program. By utilizing a pay-as-you-go-program, the projected completion date for the program was 2031. In 2002, the DOTD set out to accelerate the program by bonding out the remainder of the program in an effort to complete construction of all projects around FY 13. Due to rising construction costs and low cost estimates at the outset of the program, the program will only have sufficient funding to complete 14 of the original 16 road and bridge projects.

The projected FY 13 4-cent gas tax collections for the TIMED Program are not sufficient to cover the debt service payments of the 8 completed projects and the 6 currently under construction. Thus, approximately $31.5 M of the 16-cent gas tax revenues will be needed to pay TIMED Program debt service payments in FY 13, the fourth consecutive year in which the state gas tax will be used to make the TIMED debt service schedule whole. Every cent of gas tax equates to approximately $24.9 M of revenue. Based upon the latest debt service payment schedule, the FY 13 debt service payment is approximately $156M, while the latest adopted revenue forecast for TTF-TIMED revenue projection for FY 13 is $124.5 M. $31.5 M of TTF-Regular (16-cent gas tax) will be utilized to pay the imbalance. Roughly 1 cent of the 20-cent gas tax, or 6.3%, will be utilized for TIMED Program debt service payments in FY 13.

The portion of the 16-cent gas tax necessary in future years to fund TIMED debt service payments will continue escalating. Based upon estimates by DOTD, the department will use approximately 4.1 cents of the 16-cent state gasoline tax at its peak usage in FY 43, which equates to $123M, or approximately 24.7% of the current 16-cent tax receipts. This will impact DOTD's federal match abilities and its operating budget. Currently, the total projected TIMED Program costs are $5.24B (includes LA 3241, Florida Avenue Bridge), while total revenues for the program will be $4.65 B. DOTD is in the process of determining the best financing mechanism for completing the final 2 constitutionally required road/bridge projects. Below is a comparison of the original cost projections of the 16 TIMED projects as originally proposed in 1989 (R.S. 48:820.2), and the actual/current cost estimates. Based upon current estimates, the cost projections in 1989 were approximately $2.7 B less than the total needed to complete the

TIMED projects.

	1989 Original Proj.	Present Actual/Current Proj.
Tchoupitoulas	$55,000,000	$51,000,000
West Bank Expressway	$33,200,000	$33,000,000
Port of New Orleans	$100,000,000	$100,000,000
New Orleans Airport	$75,000,000	$75,000,000
US 90	$256,000,000	$256,000,000
West Napoleon	$53,000,000	$69,000,000
LA 15	$66,000,000	$87,000,000
US 171	$415,000,000	$617,000,000
Earhart Blvd.	$20,000,000	$20,000,000
US 165	$492,000,000	$931,000,000
US 167	$389,000,000	$706,000,000
US 61	$29,000,000	$94,000,000
Audubon Bridge	$150,000,000	$407,000,000
Huey P Long Bridge	$220,000,000	$1,173,000,000
Florida Avenue Bridge	***$129,000,000***	***$475,000,000***
LA 3241	***$52,000,000***	***$147,000,000***
TOTAL	$2,534,200,000	$5,241,000,000

Note: The Florida Avenue Bridge and LA 3241 have not begun construction and currently have no funding source. Thus, the cost projections could change in future fiscal years as inflation continues escalating construction costs.

Vehicle Sales Tax: Act 11 of 2008 2nd Extraordinary Session provided that vehicle sales taxes would begin to accrue to the TTF and be phased in over 7 years. A total of 10% was to be transferred to the TTF in FY 09. Due to the total SGF revenue projections decreasing for FY 09, these funds were not available to the TTF and will not be available in subsequent fiscal years until "… such time as the official forecast of the REC equals or exceeds the official forecast in effect prior to the projected deficit, at which time the reduction shall cease." The SGF revenue forecast for FY 09 as of 5/9/2008 was $9.7 B. The latest adopted revenue forecast projects the following for SGF: FY 12 - $8 B; FY 13 - $8.4 B; FY 14 - $8.7 B; FY 15 - $9.2 B; and FY 16 - $9.7 B. Therefore, unless this statute is amended, it is unlikely that these funds will be available to the TTF in the near future. The distribution to the TTF was projected to eventually reach $335.6 M in FY 15 at 100% implementation.

DEPT / AGY: **Corrections**

ISSUE: **Prison Sales**

The current version of HB 1 proposes the sale of Avoyelles Correctional Center currently owned by the Department of Public Safety & Corrections (DPS&C) and the closure of J. Levy Dabadie Correctional Center with the offenders being transferred to Avoyelles Correctional Center for future housing. The revenue generated through the sale of the facility will be considered SGF since the original debt payments were made by the LA Correctional Facilities Coporation. The value of the facility in FY 11 was approximately $35 M. Avoyelles houses 1,564 offenders and Dabadie houses 330 offenders on the grounds of Camp Beauregard. Dabadie would close on 7/1/2012.

J. Levy Dabadie Correctional Center

Currently, the operating cost of Dabadie is $9.3 M. The cost per day per offender at Dabadie is $77.21, based on an offender population of 330. There is no funding appropriated in FY 13 for Dabadie. Due to the closure of Dabadie the offenders will be transferred to Avoyelles Correctional Center.

Avoyelles Correctional Center

Currently, the operating costs of Avoyelles is $25.9 M. The cost per day per offender at Avoyelles is $45.37, based on an offender population of 1,564. In the current version of HB 1, the projected operating cost of Avoyelles is $29.7 M, an increase of $3.8 M from FY 12 EOB. Included in the increase in operating costs is unemployment compensation and termination pay for both Avoyelles and Dabadie; and increasing the offender population by 330 offenders. During the first 6 months of FY 13, Avoyelles will continue to be operated by the state. Beginning 1/1/2013, the facility will be operated by a private provider. The department will pay a rate of $31.51 per offender per day as noted in the current version of HB 1. The per diem cost to pay the private operator for 183 days will be $10,921,429 (183 days x 1,894 offenders x $31.51 per day). To the extent the per diem remains static at $31.51, the FY 14 per diem cost for Avoyelles would be $21,783,178 (365 days x 1,894 offenders x $31.51 per day).

Potential Savings

Currently, the combined operating costs for Dabadie and Avoyelles to house 1,894 offenders is $35.2 M ($25.9 M Avoyelles + $9.3 M Dabadie), an average cost per day per offender of $50.92. The projected cost in FY 13 for Avoyelles to house 1,894, after the closure of Dabadie, is $29.7 M, which is a cost of $42.94 per day per offender. The closure of Dabadie and eventual privatization of Avoyelles results in a savings of $7.98 per day per offender for a total savings of approximately $5.5 M. The operating costs in FY 14 may be greater as a result of Avoyelles being operated solely by a private operator. To the extent the per diem of $31.51 remains static in FY 14, the per diem costs for housing 1,894 offenders would be $21,783,178, which is an $8 M decrease from FY 13 and a decrease of approximately $13.4 M from operating Dabadie and Avoyelles in FY 12.

It should be noted that there are various unknown factors that could impact costs associated with privatized operation of the facility such as: debt service payments, CPI increases for future years, maintenance costs, and whether or not the per diem submitted includes insurance, taxes, and administrative costs. These unknowns are likely to be determined through the RFP process, however, until the facility and operation is bid, the potential increase or decrease in costs to the state in indeterminable. In addition, to the extent the Department of Corrections has to maintain the building at Dabadie, the savings maybe be reduced.

DEPT / AGY: Health & Hospitals Medical Vendor Payments

ISSUE: Federal Medical Assistance Percentage (FMAP) changes for Title 19 claims and DSH (uncompensated care costs)

Title XIX claims payments and DSH FMAP:

Title XIX history:

FY 11: 74.76% federal financial participation (25.24% state match)
FY 12: 69.34% federal financial participation (30.66% state match)

Title XIX Disaster Recovery Rate:

FY 13: 71.38% federal financial participation (28.62% state match), blended match rate

The FY 13 budget is based on a federal medical assistance percentage (FMAP) of 71.38% federal match. Original FFIS (Federal Funds Information for States) projections reflected a projected drop in Title XIX FMAP to 63.37% federal financial participation for FY 13 (as reflected in the Medicaid budget request). However, information provided by the DHH indicates LA qualifies under federal law that results in disaster adjusted (enhanced) FMAP's in future years (through FY 2015). According to the Federal Register (issuing the 2013 FMAP rates), "Section 2006 of the Patient Protection and Affordable Care Act of 2010 amended section 1905 of the Social Security Act to provide for an increase in the FMAP rate for qualifying States for Medicaid" for certain states that have experienced a statewide disaster as declared by the President. States that qualify receive an adjustment to their annual FMAP according to a formula reflected in law.

The impact in FY 13 is a reduction of approximately $95 M in SGF requirement.

Disproportionate Share Hospital (DSH) payments Federal Medical Assistance Percentage (FMAP):

DSH FMAP history:

FY 11: 63.69% federal financial participation (36.31% state match)
FY 12: 61.09% federal financial participation (38.91% state match)

FY 13: 61.24% federal financial participation (38.76% state match)

The impact in FY 13 is a reduction of approximately $900,000 in SGF requirement.

DEPT / AGY: Health & Hospitals Medical Vendor Payments

ISSUE: DSH Allocation and UCC Community Hospital Pool

The Uncompensated Care Costs (UCC) Program in Medical Vendor Payments provides disproportionate share hospital (DSH) payments to qualifying hospitals for certain uncompensated care costs associated with serving uninsured and indigent patients. DSH payments consist of both state and federal matching funds. For FY 13, the federal match for DSH is 61.24%. The federal government restricts the amount of federal DSH funds annually through the implementation of a federal DSH cap per state. Any additional UCC payments the state may choose to reimburse over the federal cap would require 100% SGF (the state loses the ability to leverage state dollars).

HB 1 Engrossed appropriates $799,594,455 M in the UCC Program for various providers. FY 13 DSH funds are allocated as follows:

$385,000,000	HCSD
$3,018,990	E.A. Conway
$29,403,657	H.P. Long
$160,730,951	Shreveport
$1,026,000	Villa Feliciana Medical Complex
$69,537,313	OMH public Psyc free standing units
$106,312,998	Other DSH hospitals (non-rural)**
$ 7,531,320	Rural Hospitals and rural hospital-based health clinics
$7,000,000	Non rural hospitals
$2,000,000	Community Hospital Pool***
$28,033,226	GNOCHC****
$799,594,455	

***Note**: E.A. Conway received no DSH funding in FY 12 as a result of Upper Payment Limit (UPL) financing. In FY 13, E.A. Conway DSH funding increased to $3,018,990.

****Note:** DSH appropriations for "Other DSH hospitals" is allocated as follows:

$100,000,000	DSH for the Low Income Needy Collaborative
$6,312,998	DSH for Mental Health Emergency Room Extensions (MHERE's)
$106,312,998	

*****Note:** Uncompensated Care Costs payments in the Community Hospital Pool are paid to non-state and non-rural hospitals that historically did not qualify under the Medicaid state plan (before 2007). Funding for the community hospital pool is maintained at $2 M for FY 13.

Community Hospital Pool Funding History

FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
$120 M	**$87 M**	**$87 M**	**$35 M**	**$10 M**	**$2 M**	**$2 M**

****Note:** DSH funding for the Greater New Orleans Community Health Connection (GNOCHC) Medicaid demonstration waiver allows DSH reimbursement to various waiver providers (over 90 clinics) in the greater New Orleans area. The Executive Budget provides a funding increase to the Greater New Orleans Community Health Connection by $2,798,359, providing total DSH funding for this initiative to $28,033,226 in FY 13.

DEPT / AGY: Health & Hospitals — Medical Vendor Payments

ISSUE: Medicaid UPL Payments, Low Income & Needy Care Collaborative in FY 13

There are several UPL programs in which the Department currently participates. UPL allows the state to supplement payments made to providers. Under federal law, a state's UPL is the maximum a state can pay for Medicaid services (or the amount that would be paid for Medicaid services under Medicare payment principles). UPL's are capped in aggregate based on hospital classification (i.e., private, public, non-state public) and within each classification providers are bound by an individual cap.

Low Income & Needy Care Collaborative Agreements (LINCCA):
In FY 11, DHH made supplemental payments to private hospitals that entered into Low Income & Needy Care Collaborative Agreements (LINCCA) with a public entity. The FY 11 appropriation provided both Medicaid claims funding (approximately $266 M) and DSH funding (approximately $100 M) for such agreements between a public entity and private hospitals. Funding for this program was maintained in FY 12. The supplemental Medicaid Payments to private, non-state, non-rural hospitals for inpatient and outpatient services were made using an Upper Payment Limit (UPL) payment methodology. The FY 13 Executive Budget has $366 M for continuation of this program.

A. LINCCA Between DHH State Agency and Private Hospitals
Beginning in FY 11 and continuing into FY 12, various private hospitals provided charity care to low income and needy LA patients (including various non-hospital related services) at the location that these patients were currently receiving care. To accomplish this, the providers set up a non-profit corporation that entered into contracts with individual physicians/providers to provide services that were previously provided by DHH. As a result of the DHH terminating contracts funded with 100% SGF, the department realized cost avoidance. In FY 13, DHH will continue to save approximately $8.6 M in SGF for contracts. Although there is no obligation, the state will continue to make supplemental Medicaid (UPL) payments to the private hospitals in FY 13.

B. LINCCA Between a Governmental/Public Entity and Private Hospitals
Continuing through FY 13, the department will receive LINCCAs entered into between various public entities and private hospitals. Through these LINCCAs, the private hospital is eligible to receive Medicaid UPL payments. The match source for these supplemental payments will be an Intergovernmental Transfer (IGT) from the public entity (a non-state match source). The department made approximately $28.5 M in supplemental UPL payments in FY 12 from IGTs received from public entities that entered into a LINCCA with private hospitals. According to DHH, it is unknown exactly how much of the $266.4 M in appropriated UPL funds in FY 13 will be from IGTs.

C. LINCCA Between LSU and Private Hospitals
Beginning in FY 11, contracts with providers for indigent care services that were non-allowable for DSH reimbursement were terminated by LSU. These contracts were assumed by 7 different private hospitals seeking to expand their charity care (LSU continues payments for contracts for allowable services). The private hospitals involved in the LSU hospital LINCCA include Woman's Hospital, Willis Knighton, Our Lady of Lourdes, Lafayette General, Lake Charles Memorial, Women & Children's (Lake Charles), and the Northern LA Medical Center. Services picked up by the private hospitals expanding their charity care include radiology, emergency room services, surgical and primary care, and various physician specialties. Patients will continue to receive these services at their current locations. LSU has an increased savings of approximately $46.8 M at HCSD and $2.8 M at the LSU-S hospitals in FY 13. Information provided by DHH and LSU indicates that the state match source for FY 13 will be the SGF portion of excess Title XIX Medicaid funds allocated to the LSU hospitals, which LSU does not anticipate being able to generate. In addition, DHH is currently negotiating with the LINCCA providers to have a quarterly payment withheld in FY 13, and if or when this payment will be subsequently made in FY 14 without interruption of services. However, approximately $2.8 M in SGF match has yet to be identified. To the extent the full amount of necessary SGF match is not identified, LINCCA contracts may be canceled with the private entities and the non-allowable services will have to be refunded with SGF from LSU.

State Hospital UPL (LSU/E. A. Conway UPL):
In order to offset the loss of funds from the Disproportionate Share Hospital (DSH) audit rule, LSU will be receiving UPL payments through E. A. Conway Hospital (EAC) as opposed to 100% SGF in DSH replacement funds. Under the Centers for Medicare & Medicaid Services (CMS) rules, EAC cannot receive above 100% of costs if participating in the DSH Program. In order to draw down UPL payments above 100% of cost, EAC was removed from the DSH program. As such, LSU has reduced the entirety of EAC's DSH budget. In addition, the State cut all Medicaid inpatient rates by 40% in public hospitals (excluding EAC) as per an emergency rule in FY 11. The 40% cut in Medicaid inpatient payments was offset at each hospital by an equal amount of DSH budget authority, except at EAC whose entire DSH budget was eliminated. LSU will receive approximately $46.4 M in UPL payments through EAC to be used as DSH replacement funds as a result of the DSH audit rule in FY 13. EAC will receive an additional $27.4 M from the UPL payments to replace its lost DSH budget. Total EAC UPL payments in FY 13 will be $73.9 M. This represents a $15.9 M decrease from FY 12. The state match source for this payment is SGF in the amount of $21,154,538 in FY 13. The following UPL payments are allocated to LSU in FY 13 for DSH replacement funds:

LSU-HSC	$16,106,071
HCSD	$30,354,369

Total DSH replacement from UPL payments	**$46,460,440**
EAC DSH budget replacement	$27,454,786
Total UPL Payments	**$73,915,226**

Hospital Based Physician UPL Program:
In FY 11, DHH was approved by CMS to make payments for physician services at public hospitals up to the average private insurance rate. The physician must be an employee of the hospital or the hospital must have a contract with the physician that establishes a quasi employment relationship. As a part of the contract, the physician must agree to assign at least the Medicaid supplemental payment to the hospital. The match source for these supplemental payments is an Intergovernmental Transfer (IGT) from the public hospital (a non-state match source). In FY 11, DHH made approximately $6 M in payments to public hospitals under this program. Currently, in FY 12, DHH has made approximately $19 M in payments under this program. In FY 13, DHH expects to make approximately $15 M in payments under this program.

Non-State, Non-Rural Public Hospital UPL:
In FY 12, DHH was approved by CMS to make supplemental payments to non-state, non-rural public hospitals. The match source for these supplemental payments is an Intergovernmental Transfer (IGT) from the public hospital. Currently, in FY 12, DHH has made $38.8 M in payments under this program. In FY 13, DHH expects to make approximately $72 million in payments under this program.

Small Rural Hospital UPL:
In FY 11, DHH was approved CMS to make supplemental payments to continue to help the state's rural hospitals maximize health care dollars to preserve access for Medicaid recipients. In FY 11, DHH made approximately 37.2 M in payments through this program. To date, in FY 12, DHH has paid approximately $18 M. The state match for this program is funded through appropriation of SGF in the amount of $11 M. In FY 13, DHH expects to make approximately $35.8 M in payments under this program.

Other UPL Programs:
The FY 13 Executive Budget includes an additional $14 M in UPL funding for ambulance services provider. This is in addition to the $14.5 M in the base budget. DHH is still in negotiations with CMS for approval of the state plan amendment.

DEPT / AGY: Health & Hospitals Medical Vendor Payments

ISSUE: Bayou Health - Medicaid Managed Care

HB 1 Engrossed contains $1,091,779,279 in premium payments for Medicaid Managed Care statewide for approximately 900,000 Medicaid recipients.

$1,091,779,279 - Funding in Medicaid Buy-Ins Program for Per Member Per Month Payments for Prepaid Health Plans and the management fee for Shared Savings Health Plans (SSHP).

The Bayou Health Program is DHH's new program to manage the care of approximately 900,000 LA Medicaid and LaChip recipients. Bayou Health is Medicaid Managed Care, and includes both a prepaid, risk bearing MCO model (Prepaid Health Plan) and a primary care case management (PCCM) with shared savings model (Shared Savings Health Plan). As a result of the benefit package in both models being at least those offered under the LA Medcaid state plan (in amount, duration, and scope of services), the department implemented Bayou Health under the authority of Section 1932(a)1 State Plan Amendment and did not require waiver approval from the Center for Medicare & Medicaid Services (CMS).

The Shared Savings Plan delivery model will reimburse providers fee for service. This enhanced PCCM model requires that participating primary care physicians (medical home) join with a 3rd party (administrative entity) to better coordinate care. According to the department, the network of primary care providers and the 3rd party will be able to ensure a full continuum of care that is coordinated for the individual. <u>Although the providers will continue to receive fee-for-service, the Health Plan will be reimbursed a monthly amount (administrative or management fee) for each member to ensure coordination of care.</u> The monthly reimbursement is $11.81 for children and parents and $18.16 for people with disabilities and pregnant women based on the current contracts. The Prepaid Health Plan <u>is a full risk bearing financial model.</u> Provider networks will be assembled and will receive monthly payments (per member per month (PMPM)) for each individual enrolled, and in turn will provide a basic level of benefits and assume full financial risk of health plan enrollees. The PMPM is based on the current average contract rate of $174.

Information provided by the department suggests some benefits will be 'carved out' for purposes of fee-for-service under this model. The current list of carve out services include dental, behavioral health, targeted case management, nursing home services, ICF/MR, and personal care services. In addition, individuals that receive home and community-based services (waivers) are not currently included in Bayou Health. Based on the February 2011 rule, eligible recipients were projected to be evenly enrolled between the 2 types of networks. However, with 3 Prepaid Health Plan contracts and 2 Shared Savings Health Plan contracts awarded, the latest projection reflects an enrollment pattern of approximately 60% of eligible recipients enrolled in a Prepaid Health Plan. According to the department, all individuals currently enrolled in LA's PCCM system (Community Care) will be required to enroll (current PCCM enrollees is approximately 775,000). In addition, Medicaid enrolled pregnant women and Medicaid eligibles over age 65 will be required to enroll. In FY 12, the fiscal impact is based on phased in enrollment of approximately 866,000 Medicaid eligibles in both plans (estimated 50%/50% plan enrollment allocation).

Contracts:
DHH has entered into contracts with 5 separate entities. Each Health Plan will provide services statewide. The 3 Prepaid Health Plans are Amerigroup, LaCare, and Louisiana Healthcare Connections. The 2 Shared Savings Health Plans are managed by Community Health Solutions and United Healthcare. Medicaid and LaCHIP recipients will have an option to enroll in any of the 5 health plans. <u>The contracts are based on $928 M paid to each Prepaid Health Plan over 3 years (3-year contract), and approximately $68 M to each Shared Savings Plan over a 3-year period.</u>

FY 12 Enrollment:
Enrollment timeline for Managed Care implementation: DHH intends to enroll all projected Medicaid eligibles in FY 12, and will enroll incrementally from February 2012 to 6/1/2012 by geographical service area (GSA).

February 2012 GSA 1 enrollment, includes DHH Administrative Regions 1 & 9

April 2012 GSA 2 enrollment, includes DHH Administrative Regions 2, 3, & 4
June 1 2012 GSA 3 enrollment, includes DHH Administrative Regions 5, 6, 7, & 8

Fiscal Impact:
FY 12 appropriation for Bayou Health is approximately $363.6 M, and includes both administrative cost and PMPM/management fee payments. These appropriations are reflected below. Due to claims lag (cost of beginning to reimburse for PMPM's up front expenses and paying prior claims within a given time frame), the FY 12 cost to implement is approximately $99 M.

$2,000,000 - Funding in Medical Vendor Administration for communication outreach
$476,250 - Funding in Medical Vendor Administration for CCN Network External Quality Review Organization
$361,187,145 - Funding in Medicaid Buy-Ins Program for Per Member Per Month Payments for Prepaid plan and Management fee for Shared savings plan.

The FY 13 appropriation (payments) for Bayou Health is approximately $1,091,779,279. This appropriation is based on the following adjustments:

$361,187,145 - Funding in the FY 12 base for Bayou Health (payments plus lag)
$921,722,843 - Transfer of Bayou Health funding from Privates to Buy-Ins (FY 13)
$1,282,909,988 - Total funding in FY 13 for Bayou Health that was removed from Private Providers
($106,551,345) - Remove (non-recur) lag payments appropriated in FY 12 in Buy-Ins for Bayou Health
($29,384,047) - Savings adjustment reflected in the FY 13 budget in the Buy-Ins Program
$1,146,974,596 - PMPM payments in the FY 13 budget (includes $7,092,026 in bonus payments related to savings associated with Shared Savings Plan. Thus, actual PMPM payments (less bonus) in FY 13 equal **$1,139,882,570** (include both PMPM's for Prepaid and management fee for Shared Savings Plan.)
Less: 2% cut to Bayou Health (related to provider cuts) and cut related to shifting wrap around payments from Medicaid Buy-Ins & Supplements to UCC Program (reflected below)
$1,146,974,596 - Total payments in Buy-Ins for Bayou Health
($18,112,424) - HB 1 Original Health Plan cut (other portion of entire 2% cut to managed care allocated to LBHP ($2,014,729)
($17,888,428) - Funding Health Plans in Buy ins moved to UCC Program for rural hospital wrap around payments
($19,194,465) - HAC amendment that cuts Bayou Health rates
$1,091,779,279 - Total Funding for Bayou Health in HB 1 Engrossed (includes bonus payments for SSHP providers)

Note: The FY 13 Executive Budget reduces payments in FY 13 by approximately $29,384,056 ($8,409,717 SGF) as a result of projected savings from Bayou Health implementation (based on Mercer projections), which includes both the full risk plan and shared plan. DHH is covering the cost of the managed care payments ($1,146,974,596) with dollars from the Medicaid base budget (as reflected in the transfer adjustment from Privates to Buy-Ins), and further reducing Medicaid payments by $29 M. In addition to the $29 M savings built into Medicaid for FY 13, Medicaid Private Providers Program is being reduced $14,675,052 as a result of moving acute services for all waiver participants under Bayou Health, and as a result of moving the case management function for NOW Waiver recipients under Bayou Health in FY 13. HAC amendment further reduced the Private Provider Program by $42,483,300 in total funding as a result of moving additional services, including pharmacy under Bayou Health.

Note: It is unknown if the total health plan cuts implemented to Bayou Health will be made to the managed care companies or providers. Because provider rates have been reduced in the Medicaid Private Providers Program, the cut could be absorbed by the health plans (reduced PMPM's or reduced administrative management fee), or passed on from the health plans to the providers (as the rate floor has changed).

DEPT / AGY: Health & Hospitals Aging & Adult Services

ISSUE: Waivers and Other Community Service Programs

The Community Choices Waiver (replaced the Elderly & Disabled Adult - EDA Waiver) allows for services to be provided in a home or community-based setting for a qualifying person who would otherwise require care in a nursing facility. In additions to personal care services, the waiver provides a variety of other services that assist people to remain in their homes and communities. Due to the increased demand for these services, there is a Request for Services Registry. This waiver is administered by the Office of Aging & Adult Services.

No. of Slots Funded FY 13: 5,303 *(200 slots for Pitts vs. Greenstein settlement)*
No. of Slots Funded FY 12: 4,603
Filled Slots as of 12/31/2011: 4,415
Slots Funded but not Filled: 188
*Registry and/or Waiting List:** 25,667
Average Cost/Capped Cost: $29,720 *($40,046 cap)*
Expenditure Forecast as of 12/31/2011: $111,556,413
Population Served: Ages 21 years old or older, Medicaid eligibility, and meet nursing facility level of care criteria
*Registry and/or Waiting List as of 12/31/2011

The Adult Day Health Care (ADHC) Waiver provides certain services for 5 or more hours per day in a licensed and Medicaid enrolled ADHC facility. Services offered include assistance with activities of daily living, health and nutrition counseling, social services, and exercise programs. There is an ADHC Request for Services Registry that lists the people who requested these services along with the request date. This waiver is administered by the Office of Aging & Adult Services.

No. of Slots Funded FY 13: 825
No. of Slots Funded FY 12: 825
Filled Slots as of 12/31/2011: 715
Slots Funded but not Filled: 110
*Registry and/or Waiting List:** 1,571
Average Cost/Capped Cost: $21,572 *($46,292 cap)*
Expenditure Forecast as of 12/31/2011: $8,873,616
Population Served: Ages 22 years old or older, Medicaid eligibility, and meet nursing facility level of care criteria
*Registry and/or Waiting List as of 12/31/2011

The Long Term Personal Care Services (LT-PCS) Program provides help with activities of daily living for people who qualify for assistance under the program guidelines. The program also provides personal care workers to help people in their homes. Care provided includes help with bathing, toileting and grooming activities; eating and food preparation; performance of incidental household chores; assistance getting to medical appointments; and grocery shopping. This program is administered by the Office of Aging & Adult Services.

Filled Slots as of 12/31/2011: 14,435
Average Cost/Capped Cost: $15,300 ($19,236 cap)
Expenditure Forecast as of 12/31/2011: $188,453,713
Population Served: Ages 21 years old or older who receive Medicaid benefits, nursing facility level of care and imminent risk criteria of nursing home admission

Program for All Inclusive Care for the Elderly (PACE) Program coordinates and provides all needed preventive, primary, acute and long-term care services so that older people can continue living in the community. The emphasis is on enabling senior citizens to remain in their communities while enhancing their quality of life. This program is administered by the Office of Aging & Adult Services.

Filled Slots as of 12/31/2011: 277
Average Cost/Capped Cost: $41,269 ($50,880 cap)
Expenditure Forecast as of 12/31/2011: $10,847,130
Population Served: Ages 55 years of age or older, live in PACE provider service area, nursing facility level of care, and meet Medicaid financial eligibility

The Community & Family Support (CFS) Program provides goods and/or services in a flexible manner to eligible people with severe physical and/or cognitive disabilities in order to help them live independently. Consumers represent a wide range of diversity in terms of disability, including acquired brain injury, spinal cord injury, stroke, visual impairment, muscular dystrophy, and individuals with multiple disabilities. *The Office of Aging & Adult Services has contracted with the ARC of Louisiana to administer both the Community & Family Support Program and the State Personal Assistance Services Program for a total of $633,229.*

Filled Slots as of 12/31/2011: 18
Registry and/or Waiting List: 50*
Average Cost/Capped Cost: $15,943
Expenditure Forecast as of 12/31/2011: $633,229
Population Served: Ages 22 years of age or older with a severe physical and/or cognitive disability that manifested after attainment of age 22 but prior to age 55
*Registry and/or Waiting List as of 12/31/2011

The State Personal Assistance Services (SPAS) Program provides personal assistance services to people with significant disabilities to assist them with activities of daily living. The primary service provided with SPAS funding is Personal Assistance Services. *The Office of Aging & Adult Services has contracted with the ARC of Louisiana to administer both the Community & Family Support program and the State Personal Assistance Services program for a total of $633,229.*

Filled Slots as of 12/31/2011: 6
Registry and/or Waiting List: 44*
Average Cost/Capped Cost: $22,359
Expenditure Forecast as of 12/31/2011: $633,229
Population Served: Ages 18 - 60 years of age, a significant disability, capable of hiring, firing, and supervising the persons who provide personal assistance services.
*Registry and/or Waiting List as of 12/31/2011

The LA's Traumatic Head & Spinal Cord Injury (TH/SCI) Trust Fund Program provides services in a flexible, individualized manner to LA citizens with traumatic head or spinal cord injuries. The program enables individuals to return to a reasonable level of functioning and independent living in their communities. Services are provided on a first-come, first-served basis. Expenditures shall not exceed $15,000 for any 12-month period or $50,000 in total lifetime expenditures per individual. This program is administered by the Office of Aging & Adult Services.

Filled Slots as of 12/31/2011: 552
Registry and/or Waiting List: 309*
Average Cost/Capped Cost: $5,065 ($15,000 cap)
Expenditure Forecast as of 12/31/2011: $3,129,204
Population Served: An individual must meet the definition of traumatic head injury or spinal cord injury.
*Registry and/or Waiting List as of 12/31/2011

Note: Waiver slots are not 100% filled. Although the agency fills waiver slots as quickly as possible, processing an individual for a waiver slot can take a considerable amount of time.

DEPT / AGY: Health & Hospitals Aging & Adult Services

ISSUE: Long Term Personal Care Services (LT-PCS) Settlement Agreement

As of 1/13/2012, the DHH reached a settlement in a class action lawsuit (Pitts vs. Greenstein) brought by Medicaid beneficiaries of the Long Term Personal Care Services (LT-PCS) Program. The U.S. District Court for the Middle District of LA has granted final approval of the Settlement Agreement on 2/17/2012.

The LT-PCS Program is part of Medicaid Program that provides personal care workers to help people remain in their homes and in the community. Care provided includes help with bathing, toileting, grooming, eating, food preparation, performance of incidental household chores, assistance getting to medical appointments, and grocery shopping. Although the Medicaid Program provides payment of home and community based services (HCBS) for long-term care, the Office of Aging & Adult Services (OAAS) administers long-term care HCBS through various waiver and state plan programs for individuals who are elderly or have disabilities.

When the LT-PCS Program originated in FY 03, it provided up to 56 hours per week of personal care services for eligible individuals. In March 2009, this maximum number of hours was reduced to 42 hours a week and services were drastically cut. In October 2010, as part of Executive Order BJ 2010 – 20 expenditure reduction, DHH reduced the maximum hours of LT-PCS to 32 hours per week.

Individuals receiving 42 hours of care a week claimed that the reduction to no more than 32 hours per week made it impossible for them to continue to live in their own homes. These individuals filed a lawsuit in June 2011 that claimed that reduction of LT-PCS to 32 hours per week put them and other individuals at risk of entering nursing homes, and therefore violated the Americans with Disabilities Act. While the lawsuit was pending, DHH created a process for LT-PCS recipients receiving the maximum number of 32 hours to request expedited access to the Community Choice Waiver Program. The Community Choice Waiver Program provides personal care services as well as a variety of other services that assist people to remain in their homes and communities.

The Settlement Agreement extends that expedited waiver option to additional LT-PCS recipients that were receiving more than 32 hours when the new cap was adopted but are currently approved for less than 32 hours. DHH will offer waiver slots to these individuals, if they can show that without the additional services, they will not be able to maintain their health and are at imminent risk of nursing facility placement. In addition, DHH will seek Federal government approval for an additional 200 Community Choice Waiver slots set aside for these individuals. If any of the set aside slots are not filled, they will be added to the pool of slots that are available to others who are waiting for waiver services.

In the FY 13 budget, as part of the Settlement Agreement, the Medicaid Program has funding for 200 slots in the Community Choice Waiver Program set aside for the class action individuals as well as funding for another 300 slots in the Community Choice Waiver Program to reduce the number of individuals on the Request for Services Registry. In FY 13, funding of $1,621,341 ($464,028 SGF and $1,157,313 Federal) has been placed in the Medicaid Program for the 500 waiver slots (200 slots for settlement and 300 new slots to address the waiting list).

DEPT / AGY: **Health & Hospitals** **Public Health**

ISSUE: **Nurse Family Partnership Program**

The Nurse Family Partnership (NFP) Program is a prenatal and early childhood intervention program designed to improve the health and social functioning of low-income first time mothers and their babies. Home visits by specially trained public health nurses begin before the 28th week of pregnancy and continue through the child's second birthday. The NFP Program is currently operating in all 9 regions of the state and in 60 of 64 parishes. In FY 11 the program served 2,210 babies and 3,259 mothers; it is anticipated an additional 1,512 families will be served in FY 13. The NFP operates in all parishes except the following: East Carroll, Madison, Tensas, and West Carroll. According of OPH, it is not cost effective to have the NFP Program in these 4 parishes because they have very few births and even fewer first time Medicaid births, which is the eligible population for the NFP model. The FY 13 budget for the NFP Program is $21,792,030 ($2.6 M in SGF; $5.2 M in IAT; and $13.9 M Federal).

DEPT / AGY: **Health & Hospitals** **Public Health**

ISSUE: **School-Based Health Clinics**

School-Based Health Clinics provide convenient access to comprehensive, primary and preventive physical and mental health services for public school students at the school site. According to OPH, approximately 70% of the students receiving services in SBHCs are Medicaid eligible. As such, the SBHCs may either bill Medicaid for certain services, or students may access medical services in the community through Medicaid. Currently, SBHCs may bill Medicaid for:

- Sick or injury visits
- Nurse only visits
- Hearing and vision screenings
- Comprehensive & interperiodic physical screenings through the Kid Med Program
- Behavioral Health (limited to one-time evaluation if intervention is needed)
- Immunizations (limited; most covered under Vaccines for Children)
- Laboratory (specimen collection performed in-house during medical screening visit)

In the FY 13 Executive Budget, the Office of Public Health (OPH) has allocated $8,808,682 ($2,400,527 SGF, $6,402,924 LA Fund Statutory Dedication, and $5,231 SGR) for 65 school-based health clinics (56 full-time sites and 9 part-time sites) with 6 positions in the Office of Public Health. Currently, the following parishes have school-based health clinics: Allen, Avoyelles, Caddo, Calcasieu, Cameron, East Baton Rouge, E. Feliciana, Grant, Jackson, Jefferson, Lafayette, LaSalle, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Point Coupee, Rapides, Richland, St. Bernard, St. Charles, St. Helena, St. Martin, St. Mary, Washington, and W. Feliciana. The 2 SBHCs in Washington Parish at Bogalusa Junior and Senior High are scheduled to close in March 2012 due to cuts to the LSU Health Care Services Division (HCSD), specifically, a $2.4 M cut to Washington-St. Tammany (Bogalusa Medical Center) which funded and operated the Washington SBHCs. Currently, OPH is seeking another sponsor with the goal of keeping both sites operative in FY 13.

DEPT / AGY: Health & Hospitals Public Health

ISSUE: Parish Health Units

Parish Health Units (PHU) provide childhood immunizations, mental health counseling, vital records access, supplemental nutritional programs for mothers and their children, and family planning. In FY 11, as part of the mid-year expenditure reduction, funding was reduced for parish health units (PHUs) resulting in the closure of the state-owned PHU in Orleans Parish and reducing hours and days of operations of PHUs in selected parishes. Currently, 61 parishes have PHUs funded by OPH (versus local government or by a Federally Qualified Health Center or Rural Health Center). As such, some PHUs operate on a 2-3 days per week work schedule, and staff has a rotating schedule among multiple PHUs. There is an overall reduction of $494,893 in FY 13 to PHUs, which will result in the transition of personal health services (i.e. Family Planning, sexually transmitted disease services, Women, Infants & Children (WIC) services, and immunization services) at the Ascension and St. Helena PHUs to local parish government. OPH will continue to fund environmental health and vital records services in Ascension and St. Helena. A comparison of funding and positions in FY 12 and FY 13 is given below.

	FY 12	FY 13	Difference
SGF	$7,368,222	$8,809,906	$1,441,684
IAT	$5,939,326	$5,651,535	($287,791)
SGR	$6,061,367	$6,674,124	$612,757
Federal	$31,481,479	$29,219,936	($2,261,543)
Total	**$50,850,394**	**$50,355,501**	**($494,893)**
T.O.	618	612	(6)

DEPT / AGY: Health & Hospitals Behavioral Health

ISSUE: The LA Behavioral Health Partnership and Coordinated System of Care (CSoC)

The LA Behavioral Health Partnership (LBHP) is a cross-departmental project between the Office of Juvenile Justice (OJJ), the Department of Children & Family Services (DCFS), the Department of Health & Hospitals (DHH), and the Department of Education (DOE) to organize a coordinated, managed care network for LA's behavioral health populations. Services will be managed and coordinated by a single managed care entity known as the State Management Organization (SMO). The contract for the SMO was awarded to Magellan Health Services, Inc., for which an additional $24.8 M was appropriated in Medical Vendor Administration (MVA) in FY 13 (as well as $590,879 for 30 employees to process the influx of Medicaid applications) to annualize the $25.3 M appropriated in FY 12 ($50.1 M total--see below). Magellan will be responsible for providing behavioral health services to an estimated 100,000 adults and 50,000 children, including 2,400 with significant behavioral health challenges or co-occurring disorders who are in, or at, imminent risk of out-of-home placement. The Office of Behavioral Health (OBH) will be responsible for supervising Magellan's compliance with the contract and state policy. Under the terms of the contract, the SMO will enroll members in need of services, enroll providers who will all need to become Medicaid providers to deliver services, and manage all services for providers. In addition, the SMO will be responsible for overseeing and managing the behavioral health services for Medicaid and non-Medicaid participants, including adults and youth. The LBHP launched March 2012. The funding for the LBHP will be primarily through the Medicaid Medical Vendor Payments (MVP) Buy-Ins Program via a selective services 1915(b) Medicaid waiver to allow automatic enrollment in a single managed care provider (Magellan). DHH received approval by the Centers for Medicare & Medicaid Services (CMS) on 10/18/2011 for the waiver. Allocations in Medicaid (MVP and MVA) for the LBHP are listed below.

	FY 12	**FY 13**	**Total Funding**
State funds	$48,579,784	$69,996,819	$118,576,603
Federal	$110,317,813	$215,003,930	$325,321,743
TOTAL	**$158,897,597**	**$285,000,749**	**$443,898,346**
MVA	$25,295,350	$25,432,717	$50,728,067
MVP	$133,602,247	$259,568,032	$393,170,279
TOTAL	**$158,897,597**	**$285,000,749**	**$443,898,346**
Existing Funds	$105,046,140	$157,384,859	$262,430,999
New Funds	$53,851,457	$127,615,890	$181,467,347
TOTAL	**$158,897,597**	**$285,000,749**	**$443,898,346**

The funding in MVP will be used by the SMO to reimburse on a fee-for-service model for children and a per member/per month capitated rate for adult behavioral health services to providers. For state agencies, this is reflected as an increase of $43 M in SGR to be received from the SMO for services provided. The projected non-Medicaid administrative costs for OBH, DCFS, and OJJ are based on 8% of expenditures for the non-Medicaid service populations in the agencies and are estimated at $7.7 M in FY 13.

<u>Coordinated System of Care (CSoC)</u>

Within the LBHP, the Coordinated System of Care (CSoC) will serve LA's at-risk children with significant behavioral health challenges who are at imminent risk of out-of-home placement. On 11/3/2011, CMS approved a 1915(c) waiver to allow a specific benefit package that will provide wraparound planning, peer support and other specialty services for the CSoC population including individual living/skills building, short term respite care, and crisis stabilization. The CSoC was established to reduce the state's cost of providing services by using existing SGF to leverage Medicaid and reducing the high cost of institutionalization (e.g., residential treatment, psychiatric hospitals, long-term day treatment, foster care) by providing family driven services in homes, schools, and the community through Family Support Organizations (FSOs). These services will be coordinated through a Wraparound Agency (WAA) in each OJJ service region. DHH anticipates enrolling approximately 1,200 youth statewide in 4 months of operation in FY 12 (up to 240 youth for an estimated 5 WAAs), and 2,400 youth total by FY

14. The average projected length of treatment within the WAA for each child is 270 days. Among the participating departments, DCFS will assess children in foster care and residential facilities who are at-risk for out-of-home placement. Within OJJ, only youth in the nonresidential programs and on probation in non-secure residential programs who are Medicaid eligible will be served through the CSoC. School districts and charter schools, known as Local Education Authorities (LEAs), and the DHH agencies will also recommend children who are at-risk for out-of-home placement to be enrolled in the CSoC.

Medicaid Expansion

1) Early Periodic Screening, Diagnosis, & Treatment (EPSDT): State plan amendments were submitted to allow for claims reimbursements for medically necessary mental health and substance abuse services to any/all Medicaid eligible children as part of the EPSDT program. Covered services under the EPSDT state plan amendments include therapeutic services (diagnosis and treatment), rehabilitation services (community psychiatric support & treatment and psychosocial rehabilitation), crisis intervention, and outpatient and residential treatment for substance abuse. Payments will be made through a fee-for-service reimbursement methodology.

2) Psychiatric Residential Treatment Facilities (PRTF): PRTFs provide an entirely new service through intensive inpatient psychiatric and residential services to children and youth under 21. Covered services at PRTFs include physician/psychiatric services, pharmacy services, diagnostic and radiology services, laboratory services, dental and vision services, occupational therapy, physical therapy, speech-language therapy, and transportation services. There are currently 7 PRTFs which will be reimbursed at a $335.49 per diem rate. CMS approved the state plan amendments for the psychiatric residential treatment facilities on 10/17/2011.

3) Therapeutic Group Homes (TGH): TBHs provide community-based residential services in a homelike setting for children and youth under 21 in need of 24-hour behavioral health care under the supervision of a psychiatrist or psychologist. Services provided at TGHs include screening and assessment, therapy (individual, group, and family), ongoing psychiatric assessment & intervention, and skill-building. There are currently 5 TGHs, which will be reimbursed at a $202.80 per diem rate.

4) School-based Behavioral Health Services: Within LEAs, school-based health services for children ages 3 to 21 will be expanded to include community psychiatric supportive treatment & addiction services in addition to the counseling, social work, and psychological services already being offered. The SMO will coordinate services provided by school staff, but the claims will be paid directly by the Medicaid Fiscal Intermediary based on expenditure data from the LEA's Payroll/Benefits and Accounts Payable System. All other school-based services provided to youth by non-school providers will be managed and paid by the SMO. The state plan amendments to authorize Medicaid reimbursements for school based services were approved by CMS on 10/12/2011.

5) Adult Mental Health Services: Services for adults with acute stabilization needs & major mental disorders or serious mental illnesses will be covered by the 1915(i) state plan amendments, which were approved by CMS in December 2011. In addition, substance abuse services for adults will be newly covered by Medicaid under the state plan amendments. Covered services will include therapeutic services (diagnosis and treatment), rehabilitation services (community psychiatric support and treatment and psychosocial rehabilitation), crisis intervention, and outpatient and residential treatment for substance abuse.

Non-Medicaid Services

Magellan will also manage services for non-Medicaid children currently served through OBH, OJJ, the LEAs and DCFS, but their services will continue to be funded by the requisite state agency (approximately $28.6 M at OBH in FY 11). Adults with addictive disorders and serious mental illness, who have been eligible for services through OBH in the past, will also be managed by Magellan. Adult services will continue to be funded with federal grants and SGF from OBH (approximately $104.7 M in FY 10). OBH will also pay Magellan an estimated 8% administrative fee (through Medicaid) for managing and coordinating care for the non-Medicaid adult and children populations.

DEPT / AGY: Health & Hospitals Behavioral Health

ISSUE: Construction of New Central LA State Hospital (CLSH)

Central LA State Hospital (CLSH) is a freestanding inpatient facility that provides acute, intermediate, and long-term mental health care, treatment, and rehabilitative services to children, adolescents and adults. Currently, CLSH has 60 beds and consists of 84 buildings, many of which are vacant and in disrepair. In Act 203 of 2007, $27 M in SGF was allotted for supplemental capital outlay appropriations for a new psychiatric hospital at CLSH in Pineville. In Act 52 of 2011, $25 M was replaced with Community Development Block Grant funding to build the new hospital and $2 M in SGF. Of the $2 M in SGF, $1,740,816 was obligated for contracts with Barron, Heinberg & Brocato Architects & Engineers to design the new hospital (as of 2/3/2012 only $1,091,354 has been expended). The new hospital was originally designed to be a 90-bed inpatient facility for the intermediate care of adults and adolescents. However, the project was put on hold in FY 12 while DHH developed different design scenarios with Barron, Heinberg, & Brocato.

The final design involves a 2-phased transitional approach. First, beginning in FY 12, DHH plans to consolidate CLSH patients and staff into the Northeast corner of the campus in order to save on staffing, security and maintenance costs while the new hospital is being built. <u>As part of this consolidation, 82 filled positions will be eliminated with a corresponding $2,451,000 reduction in SGF to the Hospital Based Treatment Program within the Office of Behavioral Health in the FY 13 Executive Budget (155 positions will remain at CLSH).</u> A breakdown of the 82 positions is shown below. This will also eliminate the need for transporting patients across the campus for medical, clinical, entertainment and vocational needs. Second, DHH will build a new 60-bed hospital on State land adjacent to the Pinecrest Supports & Services Center. Construction is expected to take 12 to 18 months and will cost approximately $6 M from the appropriated capital outlay funds. In addition, DHH will refurbish some of the vacant buildings on the current campus to use for ancillary purposes such as administrative offices. According to DHH, the exact cost associated with refurbishment of buildings for ancillary purposes is unknown at this time.

Personnel Reduction Plan

Administrative Assistant (3)	($98,311)
Administrative Coordinator (3)	($116,314)
Human Resources Analyst (1)	($51,688)
Social Worker (2)	($83,389)

Psychologist (3)	($259,771)
Associate Psychologist (1)	($70,346)
Maintenance (3)	($114,816)
HVAC Master Mechanic (1)	($33,197)
Custodian (4)	($83,658)
Therapist (4)	($158,538)
Rehab Instructor (1)	($27,955)
IT Tech Support (1)	($73,715)
Phlebotomist (1)	($35,131)
Registered Nurse (8)	($509,642)
Psychiatry Aide (39)	($978,681)
Food Service Specialist (7)	($171,132)
TOTAL (82)	**($2,866,284)**
Transition costs	$415,284
Total FY 13 Reduction	**($2,451,000**

DEPT / AGY: **Health & Hospitals** **Behavioral Health**

ISSUE: **Acadiana Area Human Services District**

In HB 1 Engrossed, $20,805,218 is being transferred via IAT from agencies within the DHH to the newly created Acadiana Area Human Services District (AAHSD) so that AAHSD may begin operations as an autonomous agency under schedule 09-325 (services will continue uninterrupted during the transition). AAHSD will service the parishes of DHH Region 4 including: Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermillion. Transfers from each agency are detailed below.

T.O.	IAT	Agency
0	$297,000	Office of the Secretary
113	$18,092,947	Office of Behavioral Health (OBH)
30	$3,750,339	Office for Citizens with Developmental Disabilities (OCDD)
143 (non-T.O.*)	$22,140,286	TOTAL HB 1 Original
	($1,335,068)	HAC Amendment (reduction to OBH)
	$20,805,218	TOTAL HB 1 Engrossed

*__Note:__ Personnel will be redesignated as non-T.O. since they are funded through the Other Charges expenditure category.

The mission of human service districts is to provide and coordinate, directly and through community collaboration, a range of services to address mental health, addictive disorders, and developmental disability needs among its citizens. The funding from OBH will provide for mental health and addictive disorders services; OCDD funding will provide for the developmental disabilities and waiver supports needs; and the Office of the Secretary will fund the Executive, Human Resources, and Fiscal directors' salaries. The funds being transferred from the Office of the Secretary, OBH and OCDD are what is currently expended on those services in Region 4. The operational plan for this agency is currently in development.

Note: In the FY 13 Executive Budget, there is an increase of $891,000 SGF within the Office of the Secretary in DHH for salaries associated with hiring an executive board at the remaining 4 human service districts to be created. Currently, all 4 new districts (in Regions 5, 6, 7, & 8) are going through preparations for their shadow year to begin operating independently of OBH's budget. Regions 5 (Lake Charles) and 6 (Alexandria) currently have a board of regional and state stake-holders that meet to develop the fundamentals of the district's operations and services. According to DHH, Regions 7 (Shreveport) and 8 (Monroe) have not established their full board yet, but plans to have it established soon.

Region 5 and Region 6 will need a full year of start-up funding ($297,000 each) to hire an Executive Director, Human Resources staff member and Fiscal Director. These will all be hired as non-T.O. in the Office of the Secretary in FY 13. Regions 7 and 8 will only need 6 months of start-up funding to hire the same positions because they will not hire their staff until the second half of FY 13 ($148,500 each). According to DHH, the plan is for the funding for Regions 5 and 6 to be transferred to them as an independent budget unit in FY 14 and Regions 7 and 8 in FY 15.

DEPT / AGY: **Health & Hospitals** **Office for Citizens w/ Developmental Disabilities**

ISSUE: **Waivers**

The New Opportunities Waiver (NOW) is offered on first-come, first-served basis. There is a Developmental Disability Request for Services Registry (RFSR) that lists individuals who meet the LA definition for developmental disability and their request date. This waiver is administered by the Office for Citizens with Developmental Disabilities.

No. of Slots Budgeted FY 13:	*8,664*
No. of Slots Funded FY 12:	*8,832*
Filled Slots as of 12/31/2011:	*8,136*
Slots Funded but not Filled:	*696*
*Registry and/or Waiting List:**	*8,832*
Average Cost/Capped Cost:	*$53,960*
Expenditure Forecast as of 12/31/2011:	*$404,465,081*

Population Served: Ages 3 and older who have a developmental disability that manifested prior to age 22

*Registry and/or Waiting List as of 12/31/2011
Note: 168 slots were reduced in the HAC amendment.

The Children's Choice Waiver offers supplemental support to children with developmental disabilities who currently live at home with their families, or who will leave an institution to return home. Children's Choice is an option offered to children on the Request for Services Registry (RFSR) for the New Opportunities Waiver (NOW) as funding permits. Families choose to either apply for Children's Choice, or remain on the RFSR for the NOW. This waiver is administered by the Office for Citizens with Developmental Disabilities.

No. of Slots Budgeted FY 13:	*1,475*
No. of Slots Funded FY 12:	*1,475*
Filled Slots as of 12/31/2011:	*1,315*
Slots Funded but not Filled:	*160*
*Registry and/or Waiting List:**	*4,912*
Average Cost/Capped Cost:	*$11,449 ($16,660 waiver cap only)*
Expenditure Forecast as of 12/31/2011:	*$14,058,212*

Population Served: Ages Birth - 18 who meet the federal definition for a developmental disability
*Registry and/or Waiting List as of 12/31/2011; subset of individuals under 19 from the NOW waiver and the number is included in the NOW registry.

The Support Services Waiver has reserved capacity for people who were receiving state general funded vocational and rehabilitation services as of 3/31/2006 or who were listed as waiting for those services prior to 5/31/2006. The Supports Waiver is intended to provide specific, activity focused services rather than continuous custodial care. This waiver is administered by the Office for Citizens with Developmental Disabilities.

No. of Slots Budgeted FY 13:	*2,050*
No. of Slots Funded FY 12:	*2,050*
Filled Slots as of 12/31/2011:	*1,768*
Slots Funded but not Filled:	*282*
*Registry and/or Waiting List:**	*75*
Average/Capped Cost:	*$8,461*
Expenditure Forecast as of 12/31/2011:	*$13,768,256*

Population Served: Ages 18 and older
*Registry and/or Waiting List as of 12/31/2011

The Residential Options Waiver (ROW) offers people of all ages services designed to support them to move from ICFs/DD and nursing facilities to community-based settings, and to serve as an alternative to being institutionalized. ROW was approved by CMS on 10/1/2009. This waiver is administered by the Office for Citizens with Developmental Disabilities.

No. of Slots Budgeted FY 13:	*210*
No. of Slots Funded FY 12:	*210*
Filled Slots as of 12/31/2011:	*27*
Slots Funded but not Filled:	*183*
Registry and/or Waiting List:	*0*
Average Cost/Capped Cost:	*$30,086*
Expenditure Forecast as of 12/31/2011:	*$901,282*

Population Served:Ages Birth to end of life who have a developmental disability which manifested prior to the age of 22
*Registry and/or Waiting List as of 12/31/2011

Note: Waiver slots are not 100% filled. Although the agency fills waiver slots as quickly as possible, processing an individual for a waiver slot can take a considerable amount of time.

DEPT / AGY: **Health & Hospitals** **Office for Citizens w/ Developmental Disabilities**

ISSUE: **Privatization of the Supports & Services Centers**

During the past few years, the DHH Office for Citizen's with Developmental Disabilities (OCDD) has consolidated, closed or privatized a number of public operated supports and services centers (formerly known as developmental centers) as well as significantly reduced the number of residents in the centers. In FY 12, residents in the 3 large ICF/DD facilities (Pinecrest Supports & Services Center, North Lake Supports & Services Center, and Northwest Supports & Services Center) were reduced by approximately 25%. In FY 13, OCDD plans to privatize North Lake Supports & Services Center and Northwest Supports & Services Center that will result in Pinecrest Supports & Services Center being the only remaining public operated ICF/DD.

Facility	Location	Status
Columbia Community Residential and Employment Services	Columbia	Closed
North Lake Supports and Services Center	Hammond	Privatized
Leesville Residential and Employment Services	Leesville	Privatized
Greater New Orleans Supports and Services Center	New Orleans	Closed
Northwest Supports and Services Center	Bossier City	Privatized
Bayou Region Supports and Services Center	Thibodaux	Closed
Pinecrest Supports and Services Center	Pineville	Operating
Northeast Supports and Services Center	Ruston	Closed
Acadiana Region Supports and Services Center	Iota	Privatized

North Lake Supports & Services Center - In the FY 13 budget, OCDD has proposed to privatize North Lake SSC located in Hammond (Tangipahoa Parish) that resulted in a reduction of $28,928,373 in Title 19 Medicaid IAT funds and the elimination of 620 positions. According to OCDD, a few organizations have expressed interest in entering into a cooperative endeavor agreement (CEA) to operate North Lake SSC. Presently, there are 243 residents at North Lake SSC. OCDD anticipates that a CEA would authorize the use of 214 of its existing licensed funded beds to a private provider. Cost savings from the privatization of North Lake SSC are anticipated based on the difference between the Medicaid public reimbursement rate for the state-operated North Lake SSC ($687.26) versus the negotiated Medicaid private reimbursement rate with a private provider. OCDD projects that the Medicaid private reimbursement rate will be less than the current Medicaid public reimbursement at North Lake SSC. Presently, the estimated private provider Medicaid rate is $208.49.

Northwest Supports & Services Center - In the FY 13 budget, OCDD has proposed to privatize Northwest SSC located in Bossier City (Bossier Parish) that resulted in a reduction of $14,937,349 in Title 19 Medicaid IAT funds and the elimination of 360 positions. According to OCDD, a few organizations have expressed interest in entering into a cooperative endeavor agreement (CEA) to operate Northwest SSC. Presently, there are 137 residents at Northwest SSC. OCDD anticipates that a CEA would authorize the use of 128 of its existing licensed funded beds to a private provider. Cost savings from the privatization of Northwest SSC are anticipated based on the difference between the Medicaid public reimbursement rate for the state-operated Northwest SSC ($543.27) versus the negotiated Medicaid private reimbursement rate with a private provider. OCDD projects that the Medicaid private reimbursement rate will be less than the current Medicaid public reimbursement at Northwest SSC. Presently, the estimated private provider Medicaid rate is $208.49.

<u>The following centers have already been closed, consolidated, or privatized in the prior fiscal years:</u>

Acadiana Supports and Services Center - Act 11 of 2010 authorized the privatization of Acadiana Supports & Services Center (ARSSC) located in Iota (Acadia Parish). OCDD eliminated 250 positions from ARSSC. In FY 11, only 10 positions remained at ARSSC as part of community support teams. The community support team provides training and technical assistance to caregivers, families and schools that serve people with disabilities.

Act 12 of 2011 transfers the remaining funding for ARSSC and 10 positions to Pinecrest Supports & Services Center in Pineville (Rapides Parish). The FY 12 budget reduced $10,208,725 ($9,639,125 IAT and $569,600 SGR) from OCDD due to the privatization. On 5/4/2011, OCDD entered into a 5-year contract with the Arc of Acadiana to provide Intermediate Care Facility for the Developmentally Disabled (ICF/DD) services and housing for 70 individuals at ARSSC under a Cooperative Endeavor Agreement beginning 7/1/2011 and ending 7/30/2016. At the time of transfer on 7/1/2011, 62 individuals resided at ARRSC.

Leesville Residential & Employment Services (formerly Leesville Developmental Center and the Leesville State School) - In FY 05, Leesville Residential & Employment Services (LRES) located in Leesville (Vernon Parish), became licensed as Group Homes and was no longer licensed as a large ICF/DD. Leesville served no more than 15 individuals on its central campus. In FY 11 as part of the mid-year expenditure reduction, Leesville Residential & Employment Services (LRES) community homes were privatized. The FY 12 budget reduced $1,590,218 of Title 19 IAT Medicaid and 41 positions from OCDD due to the privatization.

Bayou Region Supports & Services Center (formally the Peltier-Lawless Development Center) - In FY 06, Bayou Region Supports & Services Center located in Thibodaux (Lafourche Parish), was licensed as a group home and served 12 residents. In FY 10, OCDD privatized Bayou Region. Bayou Region is operated by Liberty Six, a private, long-term care provider. At the end of December 2010, Bayou Region was closed. The FY 12 budget reduced $751,046 of Title 19 Medicaid IAT from OCDD due to the closure.

Northeast Supports & Services Center (formerly Ruston Developmental Center and Ruston State School) - Northeast Supports & Services Center (NESSC), located in Ruston (Lincoln Parish), has existed since 1959. In FY 11, OCDD closed NESSC amid an investigative report by the state Inspector General's Office on excessive overtime hours of employees and reports of abuse and neglect by the Advocacy Centers and other disability advocate groups. NESSC had 202 staff members at the facility and approximately 89 residents (66 were in community homes). Residents were transferred to Northwest Supports & Services Center in Bossier City or other public centers, issued waiver services, or transitioned to community-based care. OCDD has plans to sell the Northeast campus or taken over by another public entity.

Columbia Community Residential & Employment Services (formerly the Columbia Developmental Center and Columbia State School) - In FY 05, Columbia Community Residential & Employment Services (CCRES) facility located in Columbia (Ouachita Parish), became licensed as Group Homes and was no longer licensed as large ICF/DD. Columbia served 15 individuals on its campus. The group home was named the Banks Springs Group Home. Also, CCRES operated a vocational program serving approximately 40 individuals. In FY 10, the vocational program was privatized and the Columbia Developmental Center campus was vacated and transitioned to the Office of Juvenile Justice as of 6/30/2010.

Greater New Orleans Supports & Services Center (formerly Metropolitan Development Center) - Over the course of two and half years after Hurricane Katrina, FY 06 – FY 09, the Greater New Orleans Supports & Services Center (GNOSSC) was transitioned from a ICF/DD facility to a community-based facility. After Hurricane Katrina, 230 residents were transitioned to other residential options. All of the Administration & Resource Center employees were relocated to 4460 General Meyer in New Orleans on the West Bank. On 2/27/2008, GNOSSC completely vacated the old Metropolitan Development Center campus. In FY 12, GNOSSC was consolidated with North Lake Supports & Services Center. The FY 12 budget reduced $660,529 of SGF as a result of the consolidation.

ISSUE: Update on the Privatization of the Acadiana Region Supports & Services Center

Act 11 of 2010 authorized the privatization of Acadiana Region Supports & Services Center (ARSSC) located in Iota (Acadia Parish). On 5/4/2011, DHH Office for Citizens with Developmental Disabilities entered into a 5-year contract with the Arc of Iberia, Inc. (doing business as Arc of Acadiana) to provide an Intermediate Care Facility for the Developmentally Disabled (ICF/DD) services and housing for 70 individuals at ARSSC under a Cooperative Endeavor Agreement beginning 7/1/2011 and ending 7/30/2016. At the time of the transfer on 7/1/2011, 62 individuals resided at ARRSC.

The original layoff plan submitted by OCDD identified 114 ARSSC staff that would be laid off as a result of the privatization. Due to retirement and transfers to other state agencies of 32 employees, only 82 employees were laid off. Of the former 114 ARSSC employees, 92 applied for positions with the Arc of Acadiana. As of 1/25/2012, 38 former ARSCC employees (approximately 53%) remain employed with the Arc of Acadiana.

	Total Number
ARSSC Employees who applied for job with the Arc of Acadiana	92
ARSSC Employees who received jobs with the Arc of Acadiana	72
ARSSC Employees who were terminated by DHH/OCDD	82
ARSSC Employees who were employed on 12/28/2011 with the Arc of Acadiana	45
Former ARSSC Employees who remain employed with the Arc of Acadiana (1/25/2012)	38

The positions of the 38 former ARSCC staff remain employed at the Arc of Acadiana:

Day Program	10
Staff Trainer	1
Clerical	1
Cooks	2
Dietary Manager	1
Home Managers	2
Direct Support	21
Total	38

Act 12 of 2011 transferred the remaining funding for ARSSC and 10 positions to Pinecrest Supports & Services Center in Pineville (Rapides Parish). Cost savings from the privatization of ARSSC are anticipated in FY 13. The projected savings are based on the difference between the Medicaid public reimbursement rate for the state-operated ARSCC ($447.15) versus the negotiated Medicaid private reimbursement rate for Arc of Acadiana. OCDD projects that the Medicaid private reimbursement rate for Arc of Acadiana will be less than the Medicaid public reimbursement when ARSSC was state-operated in FY 11. The Medicaid private reimbursement rate for Arc of Acadiana will be based on each individual's assigned Inventory for Client & Agency Planning (ICAP) scores. The Legislative Fiscal Office has requested and is awaiting information on the negotiated private reimbursement rate for the Arc of Acadiana.

DEPT / AGY: Children & Family Services Children & Family Services

ISSUE: Temporary Assistance to Needy Families (TANF) Initiatives

The FY 13 budget includes funding of $91.9 M for TANF initiatives, which is a significant decrease of $35.6 M from FY 12 appropriation.

FEDERAL INITIATIVES		FY 12	FY 13	DIFFERENCE
Literacy:	Jobs for America's Graduates	$3,950,000	$3,950,000	$0
	LA4	$70,050,000	$29,550,000	($40,500,000)
Asset Building:	Microenterprise Development	$510,000	$0	($510,000)
	IDA	$1,275,000	$0	($1,275,000)
Family Stability:	CASA	$4,670,000	$4,436,500	($233,500)
	Drug Courts	$6,000,000	$6,000,000	$0
	Child Abuse/Neglect (CPI)	$15,679,484	$26,219,058	$10,539,574
	Family Violence	$3,700,000	$3,700,000	$0
	Homeless	$850,000	$850,000	$0
	Nurse Family Partnership	$3,700,000	$3,365,000	($335,000)
	Substance Abuse	$4,104,989	$3,588,903	($516,086)
	Early Childhood Supports	$5,550,000	$5,550,000	$0
	Abortion Alternatives	$1,500,000	$1,400,000	($100,000)
	Day Treatment Programs (OJJ)	$6,000,000	$3,300,000	($2,700,000)
	TOTALS	**$127,539,473**	**$91,909,461**	**($35,630,012)**

In FY 12, approximately $41 M of TANF Emergency ARRA funds were transferred to the Department of Education for LA-4 as a means of financing substitution to mitigate the loss of SGF. TANF Emergency funds expire in FY 13, and therefore have been non-recurred from the FY 13 budget.

DEPT / AGY: **Children & Family Services** **Children & Family Services**

ISSUE: **Update on the Modernization of the Department of Children & Family Services**

The goal of the Modernization project is to transform the service delivery of DCFS to allow clients multiple ways to apply for services and access services. As a result, clients will no longer have to visit physical DCFS office locations or travel to multiple locations to do business with DCFS. These effects will reduce congestion at DCFS offices. The modernization project includes: (1) customer service call center; (2) electronic case records and document imaging; (3) customer portal that has a web based application for services and allows clients to access their case record to view basic case information; (4) a provider portal that allows providers to view and update basic information regarding invoices, payments, and fees; and (5) worker portal that allows DCFS staff to update and maintain client case information.

Modernization is a 5-year project with a $95.4 M ($38.2 M in SGF and $57.2 M in Federal) total budget. DCFS will continue the implementation of the service delivery modernization project with a development budget of $36.4 M ($14.6 M in SGF and $21.8 M in Federal) in FY 13.

FY 13 Modernization Project Budget

Planning & Development Budget:	
Project Mgmt. Officer	$447,200
Customer Srvc. Center	$3,575,000
CAFÉ (web-based portal)	$20,161,776
Document Imaging	$7,830,000
Quality Assurance	$1,790,000
Mainframe Upgrade	$1,283,333
Software	$842,688
Storage	$457,116
Total	$36,387,113

5-Year Modernization Project Budget

	FY 11 Actuals	FY 12 Requested	FY 13 Requested	FY 14 Requested	FY 15 Requested	Total Requested
Project Mgmt. Officer	$2,866,000	$2,100,000	$447,200	$0	$0	$5,413,200
Customer Srvc. Center	$1,162,500	$5,595,000	$3,575,000	$3,400,000	$3,400,000	$17,132,500
CAFÉ (web-based portal)	$1,045,197	$9,453,500	$20,161,776	$5,149,071	$0	$35,809,544
Document Imaging	$0	$8,000,000	$7,830,000	$4,280,000	$4,080,000	$24,190,000
Quality Assurance	$200,000	$1,914,499	$1,790,000	$524,750	$0	$4,429,249
Mainframe Upgrade	$427,778	$1,283,333	$1,283,333	$855,556	$0	$3,850,000
Software	$2,051,063	$318,888	$842,688	$0	$0	$3,212,639
Storage	$38,093	$457,116	$457,116	$419,023	$0	$1,371,348
Totals	$7,790,631	$29,122,336	$36,387,113	$14,628,400	$7,480,000	$95,408,480
State General Fund (40%)	$3,116,252	$11,648,934	$14,554,845	$5,851,360	$2,992,000	$38,163,392
Federal Funds (60%)	$4,674,379	$17,473,402	$21,832,268	$8,777,040	$4,488,000	$57,245,088

In FY 10, DCFS expended $1,971,200 on the Project Management Officer (PMO) contract. Other costs associated with the modernization project include LEAF payments over the next 3 years associated with the lease of a mainframe central processing unit (CPU) to replace legacy system hardware. The DCFS estimates LEAF payments of $500,000 in FY 11, $1.2 M in FYs 12 and 13, and $855,000 in FY 14.

In addition, but not directly related to modernization, the department anticipates significant costs associated with replacement of old legacy systems. Currently, DCFS has over 30 old legacy systems operating. Modernization replaces only 2 of the old legacy systems.

DEPT / AGY: **Revenue** **Office of Revenue**

ISSUE: **The Impact of Amnesty on the Department of Revenue Budget**

In the past, the Department of Revenue (LDR) has been funded primarily with SGF and SGR arising from penalties and fees on delinquent or fraudulent taxes or other regulatory fees associated with the Offices of Charitable Gaming and Alcohol & Tobacco Control. Annual SGF requirements were typically $40-$45 M for LDR with an equal amount of SGR. When the state implemented the Tax Amnesty Program in FY 10, the Legislature permitted LDR to retain $75,975,344 of the amnesty receipts in anticipation of declining penalties and fees in the period immediately following the Amnesty Program and to offset the need for SGF in subsequent years. Due to language in HB 1 allowing LDR to retain unexpended collections (does not revert to SGF) which led to a large carry-forward for LDR in FY 11, a year in which the amnesty receipts were available along with on-going fee collections. Total SGR budgeted at EOB for FY 11 was $95.2 M of a total budget of $96.9 M with no SGF required. For FY 12, it is anticipated that a portion of the on-going fee collections from FY 11 will be utilized in FY 12 and added to the on-going fee collections of FY 12 with no need for SGF. The FY 13 budget also contains no SGF provisions for LDR instead relying on SGR to carry the department throughout the fiscal year. However, beginning around FY 14, the amnesty fees are expected to be exhausted, and LDR could require substantially more SGF (about $30-$35 M) in order to provide the same level of service.

DEPT / AGY: Environmental Quality

ISSUE: Waste Tire Management Fund

In previous years the Waste Tire Management Fund (WTMF) has experienced deficits in fee collections necessary to meet the payments to waste tire processors. DEQ has indicated that the recurring shortage in fee revenue collected to pay waste tire processors is systemic due to tire weights increasing over time. As a result of these fee collection deficits, DEQ has required other sources of revenue to make tire processor payments. In June 2007, DEQ received $3,544,348 from SGF to "catch up" on the unpaid amounts requested by waste tire processors for tire material processed from January 2003 until June 2007. In May 2008, the department received $700,000 from SGF for unpaid amounts to processors in FY 08. In June 2009, the department received $900,000 from the Overcollections Fund for unpaid amounts to processors in FY 09. The department did not receive any additional monies in FY 10 and FY 11. All obligations in FY 12 have been paid to date. It should be noted that not all processor invoices have been received. When the invoices are received and paid, it is likely the fund balance will be $0.

According to DEQ, the average weight of passenger/light truck/small farm service tires has increased over time whereas the fees have remained the same. The processors are paid $1.50 for 20 pounds of tire material or for 20 pounds of whole waste tires marketed and shipped to a qualified recycler. Fees on tires are restricted in R.S. 30:2418 (I) to no more than $2 per passenger/light truck/small farm service tire, $5 per medium truck tire, and $10 per off-road tire. DEQ rules provide for a fee of $1.25 for each recapped or retreaded tire and that no fee is to be collected on tires weighing more than 500 pounds or solid tires. These rules require a processor to verify the number of waste tires received and limits each processor to accepting no more than 5 unmanifested tires per day per customer.

It is likely that without adjustment to either the fees or reimbursement rates to processors, the Waste Tire Fund will continue to run short of fee collections to pay processors in subsequent fiscal years. In the current year, fee collections of $7,781,732 (and interest of $1,419) through the end of March have kept up with processor requests and the fund currently has a surplus of $551,170. DEQ has indicated that there is a significant amount of waste tire material that has not been delivered to an end use. DEQ currently estimates the amount of eligible material to be processed to be valued at roughly $178,488 based on approximately 2.4 million pounds of material. As well, DEQ estimates that there are 74,027 whole tires that have not been processed which is estimated to eventually result in $186,982 in additional processor requests.

Prior to the enactment of Act 852 of 2010, a dedication of 5% of tire fee collections (began on 7/1/2003 and expired 6/30/2008) was used for "market development" of products with beneficial use, and for promotion of those products. Act 852 of 2010 provides that any unexpended and unobligated monies deposited in the WTMF for market development in excess of $500,000 is to be available for expenditures to waste tire processors. Act 12 of the 2011 Regular Session reduced the amount dedicated to market research to $300,000. The Waste Tire Management Fund balance is $1,062,779 (as of 3/31/2012), which results in an unrestricted balance of $762,779 ($1,062,779 WTMF balance - $300,000 for market research), which can be used to pay processor payments in FY 12.

DEPT / AGY: Wildlife & Fisheries **Office of Fisheries**

ISSUE: Aquatic Plant Control Funding

Funding Source	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Conservation Fund	$1,100,000	$4,600,000	$4,400,000	$6,600,000	$6,442,000	$6,442,000	$6,442,000
Aquatic Plant Control Fund	800,000	1,133,000	3,133,000	660,000	660,000	660,000	500,000
Federal	798,000	798,000	798,000	700,000	798,000	798,000	958,000
Total	$2,698,000	$6,531,000	$8,331,000	$7,960,000	$7,900,000	$7,900,000	$7,900,000
Performance Indicators							
Acres Treated	31,260	51,260	59,260	51,260	54,222	54,222	54,222
Actual Acres Treated	31,136	58,765	68,433	75,051	56,867	n/a	n/a

Budget authorization for the Aquatic Plant Control Fund in both the FY 08 and FY 09 budget from the boat trailer tax was $1.133 M. An additional $2 M in SGF was placed into the Aquatic Plant Control Fund in FY 09 (total funding of $3.133 M). These funds are collected by the Department of Public Safety & Corrections Services for each registered boat trailer ($3.25 per trailer) and deposited by the Treasury into this fund for treating water bodies for undesirable aquatic vegetation. These revenues fluctuate depending on the number of people registered.

This funding enabled the department to treat additional acres of aquatic vegetation and to develop research partnerships with state universities on alternative uses and treatment methods for nuisance aquatic plants. Act 10 of 2009 (General Appropriation Bill) replaced the SGF with funding from the Conservation Fund in the same amount. Act 10 also included an adjustment to align expenditures with anticipated revenues in the Aquatic Plant Control Fund. This adjustment reduces the budget authorization by $473,000, leaving $660,000.

An adjustment in the FY 13 Executive Budget reduced the budget authorization of the Aquatic Plant Control Fund from $660,000 to $500,000 to align expenditures with anticipated revenues. Also, available Federal funding has increased from $798,000 to $958,000, leaving total funding of $7.9 M for this purpose in FY 13 which is the same as FY 12.

Current funding provides for staffing (41 positions) and the purchase of chemicals and equipment, as well as contracts for the treatment of aquatic vegetation ($223,057). Expenses also include research partnerships with state universities on alternative uses and treatment methods for nuisance aquatic plants.

DEPT / AGY: Higher Education

ISSUE: Historical Overview of Higher Education Funding

SGF revenues (General Appropriations Bill) have decreased $1.1 B (12.5%) from $8.8 B in FY 09 to $7.7 B in FY 13 (HB 1 Engrossed). SGF for higher education has decreased by $561 M (36.2%) from a high of $1.55 B in FY 09 to $989 M in FY 13 (HB1 Engrossed). SGF for higher education represented approximately 17.7% of all actual SGF revenues in the FY 09. This percentage has fallen to 12.9% in FY 13 (HB 1 Engrossed). If SGF for higher education were to represent 17.7% of the total SGF budget for FY 13, higher education would receive $374 M more in SGF in FY 13.

Funding for higher education from all means of finance represented approximately 11.9% of total state funding in FY 09. This percentage has declined to 11% in FY 13 (HB1 Engrossed). If funding from all means of finance for higher education were to represent 11.9% of the total means of finance for FY 13, higher education would receive $236 M more in FY 13. Furthermore, SGR (primarily tuition) increased $424 M (57.6%) from $736 M in FY 09 to $1.16 B in FY 13 (HB1 Engrossed).

Higher Education Funding Sources	FY 09 Actuals	FY 10 Actuals	FY 11 Actuals	FY 12 EOB	FY13 HB 1 Engrossed
State General Fund	$1,553,400,000	$1,153,400,000	$1,145,200,000	$1,059,600,000	$988,600,000
Self-Gen. Revenues	$735,500,000	$809,100,000	$801,000,000	$1,132,200,000	$1,155,300,000
ARRA	$0	$189,700,000	$289,600,000	$0	$0
Overcollections Fund	$0	$0	$0	$92,300,000	$0
Other Sources	$694,200,000	$680,800,000	$727,800,000	$733,100,000	$751,400,000
Total	**$2,983,100,000**	**$2,833,000,000**	**$2,963,600,000**	**$3,017,200,000**	**$2,895,300,000**

Statewide Funding*	FY 09	FY 10	FY 11	FY 12	FY 13
State General Fund	$8,798,900,000	$7,144,200,000	$6,994,100,000	$7,657,100,000	$7,692,800,000
Total	**$25,119,600,000**	**$24,676,400,000**	**$25,391,100,000**	**$26,543,900,000**	**$26,367,500,000**
Higher Education Funding as a % of statewide funding *					
State General Fund	17.7%	16.1%	16.4%	13.8%	12.9%
Total - All MOF	11.9%	11.5%	11.7%	11.4%	11.0%

* Through Schedule 20, excluding the following schedules: Ancillary (Schedule 21), Non-appropriated (Schedule 22), Judicial (Schedule 23), Legislative (Schedule 24), and Capital Outlay (Schedule 26).

DEPT / AGY: Higher Education SU System

ISSUE: Southern University A&M (Baton Rouge) Financial Crisis and Declaration of Financial Exigency

The Chancellor and administration at Southern University A & M in Baton Rouge faced a budget shortfall of approximately $10.5 M at the beginning of FY 12. The $10.5 M budget shortfall was due to the following causes: loss of Federal funds from the American Recovery & Reinvestment Act of 2009, increasing subsidies for athletic programs, scholarship and tuition waivers from tuition increases, declining student enrollment, and increases in unfunded mandated costs.

To deal with this crisis, the Chancellor at Southern University A & M in Baton Rouge sent a letter to the President of the Southern University System on 8/22/2011 requesting "financial exigency" for Southern University A & M due to the university's anticipated budget deficit of $10.5 M in FY 12. Bylaws of the Southern University System Board of Supervisors defines a bona fide financial exigency as "an imminent financial crisis which threatens the survival of the institution as a whole and which can only be alleviated by adopting drastic means" including furloughs for tenured and tenure track faculty as sought through financial exigency. The Southern University Board of Supervisors (BOS) approved the request for exigency in October 2011.

Southern University made the following reductions in FY 12 to close the budget gap of $10.5 M:
a. $260,000 reduction in funding for Adjunct faculty including salaries and fringe benefits
b. $100,000 savings from reorganization of colleges and schools
c. $150,000 reduction in telephone expenditures
d. $293,000 reduction by transferring or terminating Foundation and Alumni employees
e. $1,840,000 savings from personnel reductions including benefits from the elimination of 43 vacant positions
f. $225,000 savings from retirement of 5 employees
g. $1,862,000 savings from elimination of 43 vacant positions
h. $520,000 savings from a revised Summer salary schedule
i. $1,020,000 savings from a faculty retirement incentive plan
j. $230,000 savings from delayed payment of 2010 and 2011 promotions
k. $382,000 in additional revenue from an athletic student fee increase
l. $2,206,000 savings from 10% furloughs of faculty
m. $1,109,000 means of finance swap replacing SGF with Federal funding for institutional costs
n. $303,000 savings from reductions in general operating costs

In January 2012, Southern A&M received a state-mandated mid-year budget reduction of an additional $1.67 M in SGF. To address this mid-year reduction, Southern A&M made the following cuts:

Reductions in travel ($38,710), operating services ($200,000), inter-institutional costs ($100,000), and layoff of 18 employees ($1,331,555).

According to Southern A&M, these reductions will have the following impacts:

1. Reduced quantity and quality of services to students generally.
2. Negative impact on recruitment, retention and graduation rates.
3. Decreased morale of faculty, staff and students.

The Revenue Estimating Conference (REC) decreased its SGF forecast on 4/24/2012. Due to the revised REC forecast, the House Appropriation Committee amended HB 1 to reduce SGF for higher education by $50 M. The resulting SGF reduction to Southern University A&M from the House Appropriations Committee amendment will be approximately $1.67 M if the Board of Regents applies the same distribution as was used for the FY 12 mid-year reductions mentioned above.

DEPT / AGY: **Higher Education** **Student Financial Assistance**

ISSUE: **Taylor Opportunity Program for Students (TOPS) Funding and Constitutional Amendment**

The Taylor Opportunity Program for Students (TOPS) is a postsecondary scholarship program funded by the state of LA. TOPS funds tuition and certain fees for all participating students, and includes annual stipends of $400 or $800 for students obtaining higher grade point averages and ACT test scores. Students who have been LA residents for at least 2 years and have graduated from a LA high school are eligible to apply for TOPS. The TOPS budget for FY 12 is approximately $166.9 M, funded with $12.5 M in SGF and $154.4 M in statutorily dedicated funds from the TOPS Fund ($62.1 M) and the Overcollections Fund ($92.3 M). The number of estimated TOPS awards in FY 12 is approximately 43,947.

In October 2011, voters approved a Constitutional amendment (SB 53/Act 423 of 2011) dedicating tobacco settlement proceeds to the Taylor Opportunity Program for Students (TOPS) Fund. Act 423 increased funds available for appropriations to TOPS in FY 12 by an estimated $79.3 M. This increase of approximately $79.3 M represents 2 years of tobacco settlement proceeds, and additional amounts dedicated in FY 13 and thereafter will be approximately $39.8 M per year. The FY 13 Executive Budget includes $39.8 M in Statutory Dedications from the TOPS Fund due to passage of Act 423 by LA voters.

In January 2012, mid-year budget reductions (Executive Order BJ 2011-25) decreased SGF for TOPS by $66.2 M. In December, the Joint Legislative Committee on the Budget (JLCB) approved appropriation of $66.2 M of funds generated by passage of the constitutional amendment towards TOPS, offsetting the mid-year reduction of the same amount. The FY 13 Executive Budget carried forward $13.1 M in funds not appropriated in FY 12 from the constitutional amendment. The TOPS budget in HB 1 Engrossed for FY 13 is approximately $172.6 M, funded with $102.6 M in SGF and $70 M in statutorily dedicated funds from the TOPS Fund. The number of projected TOPS awards in FY 13 is approximately 42,925.

DEPT / AGY: **Higher Education** **Student Financial Assistance**

ISSUE: **Contracting of LOSFA Loan Guarantee Operations**

The LA Office of Student Financial Assistance (LOSFA) is designated in state law as the guaranty agency for the state of LA and is under contract with the U. S. Department of Education to provide guaranty services for federal student loans under the Federal Family Education Loan Program (FFELP). The guaranty services include: assisting lenders to help borrowers avoid defaulting on their student loans (default prevention), processing and paying claims for defaulted loans made by lenders (claims) and collecting payments from borrowers who have defaulted on their loans (collections).

In 2010, FFELP was amended to end the origination of new student loans by LOSFA effective 7/1/2010. Prior to the amendment of FFELP effective 7/1/2010, LOSFA's guaranty agency function provided revenue from the origination of student loans. Before changes to FFELP effective 7/1/2010, LOSFA had accumulated a substantial balance of funds for guaranty operating services. Since that date, LOSFA has not generated revenues associated with loan origination and has lost $1 M to $2 M per year in loan origination fees resulting in a exponentially increasing decline in funds for guarantee operating services.

The loss of revenues from loan origination fees since 7/1/2010 has resulted in the agency not being able to generate sufficient funds to maintain the current loan operations guaranty functions for more than one more year. Without needed cost reductions, LOSFA's operating fund will become insolvent by SFY 2013. Furthermore, even if state general funds were appropriated to replace the federal funds, LOSFA's Federal Fund will likely encounter problems paying lender claims on defaulted student loans in a timely manner by June 2015. Finally, the ratio of fund assets to outstanding loans will fall below the federal minimum standard by June 2016. Under the circumstances, it is likely that the U.S. Department of Education will take the program from LOSFA before this happens, in which case all federal revenue from the program would cease.

To deal with the loss of loan origination fees, LOSFA issued an Invitation to Bid (ITB) on 3/14/2012 and closed the ITB at 10:00 a.m. on 4/5/2012 to find and contract with a full service contractor to perform the guaranty functions of LOSFA, including administration of the agency's Federal Funds, default aversion, claims and collections at a lower cost to LOSFA than amounts LOSFA had been incurring to perform these functions internally. LOSFA was notified at 2:00 p.m. on 4/5/2012 that only one bid was received. The bid is acceptable and once approved by the LA Student Financial Assistance Commission (expected 5/16/2012) and Civil Service Commission (expected 6/4/2012), a purchase order will be issued. The effective date of the contract is anticipated to be 7/1/2012. Outsourcing the loan program will result in the elimination of 58 authorized positions. The proposed date for employee layoffs is 6/29/2012.

Based on the bid received, the contract costs will exceed the costs of maintaining the program in-house; however, the revenues projected to be earned under the contract will substantially exceed the revenues currently earned in-house and will create a positive revenue stream for the state. Further, the revenue stream will be generated for at least five years, which is much longer than the in-house operations could continue.

DEPT / AGY: Higher Education Board of Regents

ISSUE: Higher Education Governance Commission Study and Recommendations (HCR 184 of the 2011 Regular Session)

House Concurrent Resolution (HCR) 184 of the 2011 Regular Session urged and requested that the Board of Regents create a commission (the Governance Commission) to study the governance, management, and supervision of postsecondary education. The 18 members composing the Governance Commission included individuals appointed by the Governor, the Legislature, the state's postsecondary education management boards and the Workforce Investment Council, as specified in the resolution.

The Governance Commission's final report (released 1/12/2012) addresses 2 specific tasks charged by HCR 184. The first task is an examination of how an improved governance structure would result in the following:
a) More efficient use of resources.
b) Improvement of student access through better alignment of student interest and access.
c) Better integration of education at all levels through a complete articulation and transfer plan.
d) More fair and equitable service to all institutions through better representation in the management structure and fuller recognition and support of the special missions and needs of historically black colleges and universities in our state.

The report's second task, the plan for reorganization, called for a framework for postsecondary education addressing the following 4 areas:
a) Analysis of a single board model for the governance of higher education.
b) Distribution of authorities and responsibilities within postsecondary education.
c) Tuition policy.
d) Formula funding.

The Commission's Report has the following evaluations and conclusions:

1) Creation of a single board to govern public postsecondary institutions.
The Commission concludes that it is not in the best interests of the state, at this time, to undertake a restructuring of its postsecondary education governance system. However, the Commission also determines that the status quo is unacceptable and concurs with legislative findings that establishing clearer lines of accountability and authority and increasing efficiencies across the postsecondary education system are critical and require action to make LA's postsecondary educational system responsive to student and state needs and to be regionally and nationally competitive. To accomplish this, the Commission recommends that the current governance structure be strengthened and the ambiguities in current law be resolved to provide clearer lines of authority, and establish the Board of Regents as the entity most accountable to the Governor, the Legislature, and the public for postsecondary education in LA.

The Commission also considered other aspects of the governance of postsecondary education in the state and notes that there are inconsistencies in the alignment of institutions within the various management systems. It further recommends that the Board of Regents: 1) complete its review of the role, scope and mission of each postsecondary institution within postsecondary education; 2) establish clear missions for each management system; and 3) make recommendations to align institutions consistent with their shared missions.

2) Detailed articulation of the distribution of authority and responsibilities among entities, offices, and institutions.
The Commission recommends that the necessary constitutional and statutory changes be made to clarify the role of the Board of Regents and the postsecondary education management boards, eliminate ambiguities and establish the Board of Regents as the entity with the authority for driving performance improvements in higher education. The Commission further recommends that the postsecondary education management boards be required – with some appropriate degree of flexibility – to distribute state funding to their member institutions in accordance with the Board of Regents' performance funding formula and budget recommendations. Finally, in light of changing fiscal circumstances resulting from state budget cuts and changing student enrollment patterns, the Commission strongly urges the development of a statewide fiscal "early warning" system when there is an indication that a deteriorating financial condition is threatening the viability of an institution.

3) Recommendations for the proper mechanism for setting tuition and suggestions regarding the proper balance of SGF and tuition as a means of funding postsecondary education.
The Commission recommends that the Legislature should return tuition authority to the 4 postsecondary education management boards, as was the practice prior to the application of a constitutional change enacted in 1995. This should be done: 1) in compliance with strict guidelines set forth in a Tuition and Financial Aid Policy established and implemented by the Board of Regents and approved by the Legislature, and 2) in conjunction with the GRAD Act.

The Commission also recommends:
a. Decoupling the Taylor Opportunity Program for Students (TOPS) from tuition and instead tying it to a more appropriate cost index. This would allow LA's postsecondary education enterprise to function more effectively in today's market-based environment and give the state greater flexibility to maintain the TOPS Program for more students despite ongoing fiscal challenges.
b. Undertaking policy changes to maximize the effectiveness of the GO Grant, the number of students served, and fully funding the program when fiscally possible.
c. Providing for further study in the areas of encouraging 4-year completion, reducing barriers for adults enrolling in postsecondary education, and considering the establishment of a TOPS transfer award.

To address the question of the proper balance between SGF and tuition dollars, the Commission recommends that the Board of Regents conduct a tuition and aid study focused on cost and affordability. This information is critical to a successful transition from an annual budgeting process to a more long-term strategic approach to funding postsecondary education.

4) Proposals regarding the distribution formula of SGF and the relative importance of equity and performance in that formula.
The Commission recommends the following:
a. Requiring the use of the Board of Regents' performance funding formula as the mechanism to distribute state funding to postsecondary institutions.
b. Strengthening the funding formula so that it provides incentives – on a customized basis, depending upon the role, scope, and mission of institutions – for workforce preparation, targeted research, ease of student transfer and higher completion rates for at-risk students.
c. Allowing campuses to establish fund balances through the use of carry-over funds to drive prudent fiscal management and implementation of additional institutional efficiencies.
d. Conducting an independent cost study to identify and implement improved administrative efficiencies in the public postsecondary system.

The Commission's report also includes findings and recommendations in the following subject areas: 1) budget, formula, and efficiencies; 2) tuition and financial aid; and 3) articulation and transfer are also significant. These sections provide specific details supporting the Commission's broad findings and recommendations described above. The FY 13 Recommended Budget does not include any items or funding related to the Commission's recommendations.

DEPT / AGY: **Elem. & Secondary Educ.** **Recovery School District**

ISSUE: **Recovery School District Transfer of Schools**

The Recovery School District (RSD) was created in the 2003 Regular Session by Act 9 to take over failing schools. Act 35 of the 2005 1st Extraordinary Legislative Session was enacted to address schools in districts that are considered to be in academic crisis. The RSD is administered by the Department of Education and is intended to transform underperforming schools into successful schools. The Administration has discussed an additional method for schools to be transferred to the RSD, but no legislation has been publically filed to date to provide details of the proposal. The Governor has proposed to give parents whose children are at a failing school a "trigger" vote to have their school eligible to be a RSD charter after it has been failing for three years.

Transfer of Schools
A school may be transferred to the RSD if it is determined be "Academically Unacceptable" or is in a school system found to be "academically in crisis". Currently, a school is considered to be Academically Unacceptable (AUS) or "failing" if it earns a School Performance Score of 65 or below. This standard is being raised to 75 in 2012. As defined in R.S. 17:10.6, academically in crisis means any local school system with more than 30 schools considered to be AUS, or more than 50% of its students attend schools that are AUS.

Academically Unacceptable – **R.S. 17:10.5** states an AUS school may be transferred to the RSD subject to approval by BESE if the school meets one or more of the following criteria:

- The local education agency (LEA) fails to submit a reconstitution plan to BESE;
- BESE finds the reconstitution plan unacceptable;
- The LEA fails to comply with the reconstitution plan; or
- The school is labeled academically unacceptable for four consecutive years.

Academically in Crisis – **R.S. 17:10.7** states a school may be transferred to the RSD if it has a baseline School Performance Score that is below the state average, is located in a school system considered to be academically in crisis (as defined in R.S. 17:10.6), and is in a school system with at least one school eligible for transfer to the RSD pursuant to R.S. 17:10.5. The school shall be designated a failing school and shall be transferred to the RSD.

The following are methods to operate a school that has been deemed eligible for transfer to the RSD:
- A direct-run RSD school
- A charter school
- A university partnership
- Through a management agreement with a management education management organization

Memorandum of Understanding
The RSD may enter into a Memorandum of Understanding (MOU) with the LEA as an alternative to transferring a failing school under the provisions of R.S. 17:10.5. BESE may authorize a conditional transfer, which requires the LEA to enter into a legally binding MOU between the RSD and LEA. The LEA will continue to operate the school under the supervision of the RSD while attempting to meet agreed upon performance objectives. If the school does not comply with the MOU or does not meet the performance objectives, the school will be transferred to the RSD and may become a charter school or a school run directly by the RSD. BESE makes the final decision on the appropriate method of operating the schools and the performance objectives.

Return of Schools to LEA
Schools transferred to the RSD shall remain in the RSD for no less than five years. At the end of that period BESE will decide whether a school will remain in the RSD, be returned to the original LEA or closed. No school is eligible for consideration to return to the original LEA until the conclusion of the 2011-12 school year. To be eligible, a school must have been under the jurisdiction of the RSD for at least five years, and the school must have had a School Performance Score of at least 80 for the past two consecutive school years.

8 RSD charter schools have had a School Performance Score of at least 80 for the past two consecutive school years: *Arthur Ashe Charter School, KIPP Central City Academy, Dr. Martin Luther King, Jr. Charter School for Science and Technology, McDonough #15: A KIPP Transformation School, Martin Berhman Elementary School, Dwight D. Eisenhower Elementary School, Sophie B. Wright Learning Academy, and Edward H. Phillips Learning Academy (KIPP Believe College Prep).* These schools must notify BESE of their decision to return to the original LEA by December 1st of the year proceeding the transfer. None of these schools notified BESE choosing to transfer so they will remain in the RSD for

another school year. They may choose to exit the RSD after 2012-13 if they remain eligible next year.

There are nine RSD-direct run schools that were labeled AUS for the 2010-11 school year and have been in the RSD for 5 years. According to BESE policy, the RSD must make a decision to keep them in the RSD, phase-out (close and transfer students to other schools), convert to a charter or be transferred to their original LEA. The following are the 9 schools and RSD recommendations:
Dr. Charles R. Drew Elementary – phase out or convert to a charter at the conclusion of the 2011-12 school year
George Washington Carver High-convert to a charter beginning of 2012-13 school year
John McDonough High – convert to a charter beginning of 2012-13 school year
Joseph Craig Elementary – convert to a charter beginning of 2012-13 school year
Murray Henderson Elementary – phase out- close at the conclusion of the 2012-13 school year
Paul Habans Elementary-remain direct run RSD school for 2012-13 school year; possibly convert to a charter thereafter
Sarah T. Reed High – remain a direct run RSD school or convert to a charter in the 2012-13 school year if a proper charter operator exists, or convert to a charter after the 2012-13 school year
Schwarz Academy – possible charter conversion after the conclusion of the 2011-12 school year, dependent upon charter approval
Walter L. Cohen High – convert to a charter beginning of the 2012-13 school year.

There are 19 RSD schools that have been in the RSD for at least 5 years, but do not meet the performance criteria to be eligible to return to their original LEA. The RSD recommends that they remain in the RSD for an additional five-year period or until they become eligible to choose to return to their original LEA. The following are the above referenced schools: A.P. Tureaud Elementary, McDonough City Park Academy, Algiers Technology Academy, McDonough #32 Elementary School, Andrew H. Wilson Charter School, McDonough #42 Elementary Charter School, Benjamin Banneker Elementary School, Nelson Elementary School, H.C. Schaumburg Elementary, New Orleans College Preparatory School, Singleton Charter School, O. Perry Walker Senior High School, James Johnson Elementary, Pierre A. Capdau Learning Academy, Lafayette Academy, S. J. Green Learning Academy, Langston Hughes Academy Charter School, William J. Fischer Elementary School, and Mary D. Coghill Elementary School.

DEPT / AGY: Elem. & Secondary Educ. Minimum Foundation Program (MFP)

ISSUE: Minimum Foundation Program

HB 1 provides $3,422,265,205 for the Minimum Foundation Program (MFP), which is an increase of $34.9 M over the Existing Operating Budget as of 12/1/2011. The estimated increase is due to an increase in student enrollment from 2/1/2011 to 2/1/2012 and the inclusion of students from the LA School for the Deaf & Visually Impaired (LSDVI), Special School District (SSD), and Student Scholarship for Educational Excellence Program (SSEEP).

The MFP formula calculates a state per pupil amount and local per pupil amount for each district, which represents the estimated cost to educate a student in a district. The state appropriates the total state amount for all districts and schools included in the MFP, while the local school district funds their calculated share. There will be an increase in MFP expenditures in FY 13 to cover the state per pupil amount of the students enrolled in LSDVI, SSD and SSEEP that are included in the MFP for the first time. The estimated state allocation for the students enrolled in these schools is $12.1 M.

The proposed FY 13 MFP formula calculates the local share for students enrolled LSDVI, SSD, SSEEP, the LA School for Math Science & Arts, the New Orleans Center for Creative Arts and Legacy Type 2 Charter Schools (Type 2 Charter schools approved prior to 7/1/2008) based on the local school district where they reside. The estimated local share for the students in the above schools is $25,091,610. The Department of Education will withhold this amount from the respective local school system's state allocation to represent their payment of the local share of the cost. In previous years the local school districts did not have funds withheld from their state MFP allocation to fund a local share for the students in these schools.

The following are other facts about the FY 13 proposed MFP:

•The base per pupil amount for each student remains at $3,855. This formula is therefore considered a "no growth" formula.

•Provides funding for an estimated 679,963 students (this is the 2/1/2012 student enrollment count), which is an increase of 9,642 over the 2/1/2011 enrollment count.

•The October mid-year adjustment and February mid-year adjustment recognizes increases and decreases in student counts. This change will allow for a school district to have funds reduced when they have a decrease in students. Previously, only increases of 50 students or a 1% increase in students was recognized in the mid-year counts.

•The requirement that 50% of a district's increased funds provided in Level 1 and Level 2 be used to supplement full-time certificated staff salaries if the average teacher salary is below the latest published SREB average has been suspended due to the no growth formula.

DEPT / AGY: LSU Health Care Services Division LSU HSC-HCSD

ISSUE: Annualization of FY 12 Mid-Year Budget Cuts

In the FY 12 budget, HCSD received a 5% cut across all hospitals. HCSD's original service reduction plan, which was formulated to meet the 5% cut, was never implemented since HCSD anticipated earning more in Uncompensated Care Costs (UCC) than originally budgeted. HCSD was appropriated $330.2 M in IAT from DHH specifically for UCC. However, based on FY 11 actuals ($385.6 M) and updated expenditure reports in FY 12, HCSD anticipated generating approximately $385.3 M in UCC again in FY 12. The $55.1 M difference would consist of $33.7 M in federal match and $21.4 M in state match from HCSD's Disproportionate Share Hospital (DSH) replacement funds which were appropriated through IAT from DHH in FY 12. The additional federal match was anticipated to be used to offset the 5% cut and align its UCC budget with anticipated expenditures. HCSD planned to increase its IAT budget authority by the additional $33.7 M in federal match by BA-7 request in FY 12.

However, information provided by DHH indicates that the department plans to retain these Federal earnings over budget ($33.7 M) to partially address the mid-year reduction plan and projected year-end deficit in Medicaid. As a result, HCSD is currently compiling a new service reduction plan to meet the original 5% cut allocated to it at the beginning of FY 12 since it will not have the additional Federal funds to cover anticipated expenditures. To the extent HCSD does not earn DSH over its FY 12 appropriation, this proposes a potential budgetary problem for DHH since HCSD must reduce the services/expenditures which are generating the $33.7 M in federal match in order to meet the required cut. As such, the necessary expenditures will no longer exist for federal reimbursement, and the entirety of the $33.7 M cannot be drawn down to be used by DHH for its budgetary issues. Until the expenditures are reduced by LSU, DHH will not know the amount of additional federal match that can be generated in FY 12.

HCSD's FY 12 mid-year service reduction plan, which was implemented 3/4/2012, consists of the following expenditure reductions (T.O. costs) by hospital:

Hospital	Expense Reduction	T.O. Reduction
W. O. Moss	$2,312,253	16
Medical Center of LA at New Orleans	$14,963,900	240
Leonard J. Chabert	$2,931,735	80
Lallie Kemp	$456,514	11
Washington-St. Tammany (Bogalusa)	$2,387,281	43
Earl K. Long	$6,719,050	148
University Medical Center (Lafayette)	$4,248,464	107
HCSD Total	**$34,019,196**	**645**

A comparison of the FY 12 Existing Operating Budget (EOB) and the FY 13 recommended budget is detailed below.

	FY 12 EOB	FY 13 (HB 1 Engrossed)	Difference
SGF	$64,296,464	$29,261,831	($35,034,633)
IAT Subtotal	$595,045,883	$574,169,936	($20,875,947)
DSH	*$330,250,541*	*$385,000,001*	*$54,749,460*
Medicaid	*$187,519,346*	*$157,026,847*	*($30,492,499)*
IAT Other	*$77,275,996*	*$32,143,088*	*($45,132,908)*
SGR	$65,788,131	$98,682,558	$32,894,427
Stat. Ded.	$0	$35,000,000	$35,000,000
Federal	$79,447,612	$87,945,188	$8,497,576
HCSD Total	**$804,578,090**	**$825,059,513**	**$20,481,423**

Note: Of the $20.4 M increase from FY 12 to FY 13, $8.2 M in SGR & $3.6 M in Federal funds are excess budget authority, which the Office of Planning & Budget plans to amend through the budgetary process. As such, HCSD's actual net increase will only be $8.6 M in FY 13. This increase is primarily due to the restoration of $13.2 M in SGR to HCSD's outpatient pharmacy budget, which was cut from the base budget in FY 12. In addition, the increase in Statutory Dedications is $35 M in contingency funding from the sale of the New Orleans Adolescent Hospital (NOAH). If the contingency funding is not realized, HCSD's net decrease will be approximately $26.4 M in FY 13.

DEPT / AGY: LSU Health Care Services Division LSU HSC-HCSD

ISSUE: Construction of University Medical Center-New Orleans (New Charity Hospital)

In conjunction with LSU HCSD, the University Medical Center Management Corporation (UMCMC) plans to build the University Medical Center-New Orleans (UMC-NO) as a new teaching and research hospital that will replace the former Medical Center of LA at New Orleans (MCLNO) that was damaged by Hurricane Katrina. As an independent, non-profit institution, UMC-NO will no longer be a state hospital; however, its funding mechanisms will remain the same. The UMCMC is a not-for-profit corporation, created by LSU to finance the $1.09 B project and has final authority concerning financing decisions. The Joint Legislative Committee on the Budget (JLCB) will have final approval of the cooperative endeavor agreement entered into between the Department of Health & Hospitals (DHH), the Division of Administration (DOA), LSU, and the UMCMC. The projected total cost of the project is $1.09 B for a projected 424-bed hospital, diagnostic and treatment facility, an ambulatory care clinic, and structured parking, and a utility building (inclusive of all equipment). In 2008, DHH hired Verite Consulting to evaluate the size of the planned hospital, and Verite made the 424-bed recommendation (364 acute beds and 60 psychiatric beds), which was adopted by DHH and Governor Jindal's administration. UMC-NO is currently set to open in 2015 and drafted to be a total of 2,211,799 square feet. The hospital will be on a site bound by Tulane Avenue, Canal Street, Claiborne Avenue and South Galvez Street adjacent to the new Veterans Affairs (VA) Hospital currently being built. The 2 hospitals will potentially share cancer services, some physician services, OB/GYN services, trauma, some parking, and laundry (the final list of shared services will be determined by the UMC-NO administrative team once the hospital is operational). The VA hospital is anticipated to open in 2014.

Of the $1.09 B, the state has currently secured approximately $794.8 M. The $794.8 M consists of $300.6 M from Capital Outlay; $474,750,898 from FEMA for replacing the former main charity hospital building; and $19.5 M in additional FEMA funds for damages to other parts of the MCLNO complex including capital assets and building contents. Of the $300.6 M in Capital Outlay, $600,000 has been collected from fees and self-generated revenues from LSU, $35.5 M in SGF from the Overcollections Fund, $39 M from CDBG funds, $160 M in Priority 1 bonds (cash line of credit), and $65.5 M in Priority 5 bonds (non-cash line of credit). It is currently anticipated by DOA that additional FEMA settlement and Office of Risk Management (ORM) insurance money from the damages to MCLNO will soon be secured for an estimated $151 M depending on arbitration. The FEMA funds are being held in the Federal Health & Human Services (HHS) payment management system (SMARTLINK) and will be allocated to the state through the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) through reimbursement payments as work is performed. According to Facility Planning & Control, approximately $80 M of the currently awarded FEMA funds have been transferred to the state as reimbursement for capital outlay expenditures on the project.

The UMCMC and JLCB approved a business plan in September 2011 prepared by Verite Consulting for constructing the $1.09 B hospital. The UMCMC is seeking alternative financing for the approximately $142.2 M in remaining unsecured funding including 3rd party financing for the ambulatory care clinic and structured parking through the LSU Physician's Foundation, and equipment lease purchase agreements with various vendors. The UMCMC will determine the exact amount of 3rd party financing needed once the FEMA funds which are awaiting arbitration or obligation are secured and a definitive amount of funding from FEMA is determined. A breakdown of the financing for the new hospital according the approved business plan is detailed below.

FEMA Funds	
Charity Hospital Replacement	$474.8 M
Secured FEMA Funds	$19.5 M
FEMA Funds Awaiting Obligation	$151 M
Subtotal	*$645.3 M*
State Capital Outlay	
Priority 1 (cash line of credit)	$160 M
Priority 5 (non-cash line of credit)	$65.5 M
Overcollections Fund	$35.5 M
LSU SGR	$0.6 M
CDBG Funds	$39 M
Subtotal	*$300.6 M*
Third Party Financing	
Ambulatory Clinic, Structured Parking, & Equipment Lease Purchase	
Subtotal	*$142.2 M*
Total Financing Costs	**$1.088 B**

DEPT / AGY: LSU Health Care Services Division LSU HSC-HCSD

ISSUE: OLOL/EKL Collaboration Agreement UPL Payments

The LSU Health Care Services Division (HCSD) has entered into a cooperative endeavor agreement with Our Lady of the Lake Regional Hospital (OLOL) on 2/5/2010 with an initial 10-year term to assume all inpatient and emergency department services currently offered at Earl K. Long Medical Center (EKL), excluding obstetrics & gynecology (OB/GYN), outpatient and prisoner care. HCSD plans to continue outpatient services at all of HCSD's clinics in Baton Rouge, which include the North Baton Rouge Clinic, the Stanacola Clinic, the Leo Butler Clinic, and the Outpatient Surgical Center on Perkins Road. DHH has submitted a Medicaid state plan amendment to amend the rules to allow the clinics to be tied to the Lafayette University Medical Center's (UMC) license in order to allow Federal financing to remain in place. The Centers for Medicare & Medicaid Services (CMS) has yet to approve the new licensing plan with UMC.

Through a cooperative endeavor agreement (CEA), the medical training program for OB/GYN services at EKL has moved to Woman's Hospital. The ongoing payments that Woman's will receive from DHH as part of this agreement are the increased per diem amounts as a result of Woman's becoming a major teaching hospital, which became effective on 7/1/2011. These payments are included in Woman's inpatient claims payments and are estimated to be an additional $3.8 M annually. The CEA indicates that "reasonable" allowable costs associated with the residency program will be adjusted annually for inflation.

LSU plans to issue a Request for Proposal in FY 12 for possible private hospitals to do inpatient prisoner care; however, HCSD will continue to do all outpatient care at its Baton Rouge clinics. HCSD will also utilize the Hunt facility within the Department of Public Safety & Corrections Services once it is fully staffed. The Hunt facility is a Skilled Nursing Facility that can care for prisoners released from the hospital that cannot return to the prison population yet.

According to DHH, as of November 2011, $133,403,380 in upper payment limit (UPL) reimbursements have been paid to OLOL in order to cover the transition costs related to the hospital's staff, Graduate Medical Education, and facilities to allow for increased service access for EKL's patient populations. Of this $133.4 M, $129 M is specifically for one-time capital investment associated with expanding capacity for EKL's patient base. When EKL closes inpatient services in FY 14, DHH will pay OLOL for 95% Medicaid costs, for 100% uninsured costs, and for the unreimbursed medical education and trauma center costs included in the cooperative endeavor agreement. OLOL submitted its FY 11 year-end cost report to CMS on 1/31/2012, and is currently working on a reimbursement model based on these costs, which it will negotiate with DHH for payment. These will either be paid by Medicaid rate payments, UPL, or possibly combined with DSH payments. In addition to the $133.4 M, the state will make ongoing UPL payments to cover the costs primarily associated with increased Medicaid and indigent patient services at OLOL.

DEPT / AGY: **LSU Health Care Services Division** **LSU HSC-HCSD**

ISSUE: **Contingency Funding**

In HB 1 Engrossed, there is $35 M in supplemental funding appropriated through Statutory Dedications from the Overcollections Fund, which is contingent upon the approval and sale of the New Orleans Adolescent Hospital (NOAH). Without this contingency funding, HCSD will have to implement further service reductions in FY 13. Currently, the LSU Board of Supervisors, Health Sciences Center has control of the NOAH facility and rents space to Children's Hospital. SB 702 of 2012 authorizes LSU to transfer NOAH to the Division of Administration for the sale or lease of the facility to Children's Hospital. The bill has currently passed out of the Senate and is pending House action.